

The complaint

Mr H complains that Pinnacle Insurance Plc rejected a claim on his pet insurance policy and added exclusions to the policy that made it worthless.

What happened

Mr H took out an insurance policy for his dog in July 2023. As part of the online process, he was asked whether his dog had ever shown any signs of illness or injury. He didn't disclose any past illness.

In February 2024 Mr H's dog developed a serious eye condition and needed to be referred to a specialist vet for treatment. He made a claim for treatment costs of around £4,500.

Pinnacle said the claim was not covered because, after reviewing the vet's notes, these showed his dog had had treatment for an ulcer in left eye in 2021, so it had added an exclusion for eye problems, and that exclusion meant the claim wasn't covered. Pinnacle also added exclusions for a number of other conditions.

Mr H complained about these exclusions being added and the claim being declined. Pinnacle didn't change its decision, saying it hadn't underwritten the policy at the start as Mr H hadn't disclosed that his pet had been seen by a vet for any issues but, when it became aware of past issues, it had added the relevant exclusions and this claim was caught by the exclusion for eye conditions.

When Mr H referred the complaint to this Service, our investigator said it was fair for Pinnacle to add the exclusions and to reject the claim. Mr H disagrees and has requested an ombudsman's decision. He's made a number of points, including

- His understanding of the word 'condition' is that it's generally meant to refer to a long term medical diagnosis. When he took out the policy, any illnesses were superficial; they were not conditions that required extensive medical treatment or could be deemed an ongoing or recurring condition, and he'd never made any claim.
- The previous ulcer was a different type of ulcer in a different eye – it wasn't related to the condition claimed for.
- Pinnacle has added extensive exclusions on the policy which made it worthless; he had no choice but to cancel the policy.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr H is unhappy Pinnacle declined the claim for treatment on his dog's eye and referred to another eye problem from before the policy started. He says these were not the same condition. Pinnacle didn't say this was a pre-existing condition - what it said was that Mr H failed to disclose the previous eye problem when he bought the policy, so there was a misrepresentation.

The relevant law in this case is the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). This requires consumers to take reasonable care not to make a misrepresentation when taking out an insurance policy. The standard of care is that of a reasonable consumer.

If a consumer fails to take reasonable care and makes a misrepresentation, the insurer has certain remedies if there is a qualifying misrepresentation, as defined in CIDRA. For it to be a qualifying misrepresentation the insurer has to show it would either have offered the policy on different terms or not offered it at all, if the consumer hadn't made the misrepresentation.

CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care. One of these is how clear the question asked was.

When Pinnacle rejected the claim Mr H made, it relied on the retrospective exclusion added for all claims with respect to eye problems.

This exclusion was added on the basis that when he bought the policy, Mr H failed to give an accurate answer to the question "*Has [pet's name] ever shown any signs of illness or injury?*"

There was a note explaining that it was important Pinnacle knew about any conditions or symptoms the pet had suffered from.

I think the question asked was clear. So Mr H should have disclosed any previous signs of illness or injury – including any discussions with the vet, even if treatment wasn't needed.

When the policy documents were sent to Mr H, they included the following note:

"At application you confirmed that... has not had any sign or symptom of injury or illness, or been unwell, either now or at any time in the past.

If this changes before the actual start date please contact us... so that we can review your policy and let you know as soon as possible if there are any conditions for which... will not be covered."

This made it clear he needed to tell Pinnacle about any signs of illness. It went on to explain that if Pinnacle later found out about any previous illness, it might add exclusions to the policy.

Taking all the evidence into account I'm satisfied Mr H was aware there had been an issue with his dog's eye, this had been discussed with the vet and treatment given. The notes also show there had been other problems that had been treated by the vet. And he was aware these should have been disclosed - the question didn't relate solely to serious or ongoing illnesses, or conditions for which Mr H had made previous insurance claims. He was asked to disclose any signs of illness or injury.

Pinnacle has provided evidence which shows that if it had been aware of the dog's history it would still have offered the policy, but on different terms – it would have added these exclusions. I'm satisfied this was a qualifying misrepresentation.

That means Pinnacle may add the exclusions it would have added, if the previous issues had been disclosed, so Mr H would have a policy on the terms that would have been offered to him if there had been no misrepresentation. And the exclusion for eye problems means this claim is not covered.

Mr H has explained how difficult it was for him, dealing with his pet's condition and then finding out he wasn't covered for the treatment costs. I appreciate this left him in a very difficult position. But when he took out his policy, he had a duty to answer the question correctly and if he'd done so, the policy would have been offered with these exclusions.

My final decision

My decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 January 2025.

Peter Whiteley
Ombudsman