

## **Before the Arbiter for Financial Services**

**Case ASF 012/2021**

**ZX**

**(the complainant)**

**vs**

**Building Block Insurance PCC Ltd.**

**(C63128)**

**(the service provider/insurer)**

### **Sitting of the 3 May 2021**

The Arbiter,

Having seen the complaint<sup>1</sup> whereby the complainant submits that her insurance policy was not renewed, and her claim submitted to the service provider was refused.

She states that she was misled into thinking that her policy had been renewed if she did not cancel it, and that she was informed by Perfect Pet that payment would be made through the same payment method as before.

The complainant further states that she had received no notification stating that her policy was cancelled.

After several months she needed to make a claim as her dog was about to have an operation.

*'They said that policy had lapsed because they had forgotten to take payment.'*<sup>2</sup>

---

<sup>1</sup> Pgs. 1-5

The complainant further states that she was never notified and the last communication she had was that the policy was being renewed and no further action was required from her side.

She feels that she was misled when '*they*' made her think that the policy had been renewed when in fact it was not. She also alleges that '*they*' lied to her because '*their*' T&Cs say that they should take payment automatically and '*they*' also lied when they told her that they do not send reminder emails about policy renewals when, in fact, she had erroneously received a reminder long after the policy had lapsed. She also alleges poor communication.

She is seeking the payment for treating her dog amounting to £364.36, apart from compensation for distress.

**Having seen the reply of the service provider** which states that:

ZX's complaint contains two parts. The first part concerns her attempted claim with Building Block Insurance PCC Limited as the insurer being responsible for this aspect of her complaint.

The second part concerns the non-renewal of the pet insurance policy with Intrinsic Brokers Limited trading as Perfect Pet Insurance as the insurance intermediary being responsible for this aspect of her complaint.

#### The claim

ZX was under the impression that she had a valid pet insurance policy in existence and accordingly attempted to make a veterinary fees claim. The claim was refused at point of submission as no valid insurance policy was in place. It was at this point that ZX discovered that the pet insurance policy had not been renewed by Intrinsic Brokers Limited trading as Perfect Pet Insurance.

Please note that if ZX had a valid insurance policy in existence at the time of her veterinary fees claim, the claim would have been assessed and the policy

responded in accordance with its terms. However, as no valid insurance policy was in place, the claim was refused.

### The non-renewal

Please note that Building Block Insurance PCC Limited is not responsible for policy renewals, this activity is undertaken by Intrinsia Brokers Limited trading as Perfect Pet Insurance. All policy sales (including policy renewals) are conducted via the insurance intermediary.

It is our understanding that a renewal notice was issued to ZX via email. It appears that ZX was under the impression that the policy would be automatically renewed using the debit or credit card details she had previously supplied to Intrinsia Brokers Limited trading as Perfect Pet Insurance. As ZX discovered, to renew the policy, she was required to contact Intrinsia Brokers Limited trading as Perfect Pet Insurance and pay the renewal premium with her debit or credit card.

### Arbiter's Jurisdiction

The Arbiter only has jurisdiction to look at the first part of ZX's complaint which concerns her claim. However, the Arbiter would not have jurisdiction to look at the second part of ZX's complaint which concerns the non-renewal as the insurance intermediary did not act on behalf of Building Block Insurance PCC Limited.

The correct Alternative Dispute Resolution Provider for ZX to address her complaint concerning the insurance intermediary is the Financial Ombudsman Service in the United Kingdom. It appears that ZX attempted to pursue her complaint via the Financial Ombudsman Service without success. It appears the Financial Ombudsman Service failed to distinguish between the two parts to ZX's complaint and address her part of the complaint that was within their jurisdiction.

## **Having heard the parties and seen all the documents.**

### **Considers**

The service provider submitted that the complaint is divided into two parts: the first part deals with the non-renewal of the policy; the second part deals with the claim for compensation for the cure given to her pet.

*The service provider submits that the Arbiter has no jurisdiction to deal with the part of the complaint regarding the non-renewal of the policy.*

### **Jurisdiction of the Arbiter**

Chapter 555 of the Laws of Malta stipulates that the Arbiter has jurisdiction to deal with complaints regarding the conduct of a financial service provider.<sup>3</sup> The financial service provider must have '*offered to provide a financial service*' or from whom the customer has '*sought the provision of a financial service*'.

The term '*financial services provider*' has been defined as a service provider '***which is or has been licensed or otherwise authorised by the Malta Financial Services Authority in terms of the Malta Financial Services Authority Act or any other financial services Law ...***'<sup>4</sup>

From the evidence submitted, it is clear that the complainant was dealing with Perfect Pet Insurance regarding the renewal of the policy. Perfect Pet is not licensed or authorised by the Malta Financial Services Authority and, therefore, the Arbiter does not have jurisdiction to hear complaints against Perfect Pet. The complainant herself stated in her correspondence with the UK's Financial Services Ombudsman that her complaint was basically against Perfect Pet for leading her to believe that her policy was being renewed when in fact they did not.

The Arbiter is of the opinion that since this part of the complaint deals with the conduct of Perfect Pet regarding the sale or otherwise of the policy, he has no jurisdiction on a service provider not licensed or authorized by the Malta Financial Services Authority.

---

<sup>3</sup> CAP. 555, Art. 21(1)(b)

<sup>4</sup> Art. 2

The policy document submitted in this case,<sup>5</sup> on pages 6-7, states that if the consumer has a complaint about the *sale or administration* of the policy, it should be addressed to Perfect Pet Insurance.<sup>6</sup> If the consumer has *a claim*, it should be first submitted to Intrinsic Claims Ltd, and then to the Financial Ombudsman Service. Then, if the complaint is *'about the policy'*, it should be addressed to Building Block PCC Ltd and then to the OAFS.<sup>7</sup>

The first arm of the complaint is not about the policy but on the alleged failure of Perfect Pet Insurance to insure the complainant. As already stated, the Arbiter does not have jurisdiction on Perfect Pet and, consequently, the Arbiter cannot decide the question on whether Perfect Pet observed its obligations towards the complainant in not renewing the policy.

**The Arbiter now deals with the other arm of the complaint, namely, that the service provider did not honour the claim for the payment of compensation for the treatment of the complainant's pet.**

The service provider points out that it rejected the claim *'at point of submission as no valid insurance policy was in place.'*<sup>8</sup>

This is confirmed by the complainant as well. In fact, she initially contacted the Financial Services Ombudsman (FSO) and when her case was not taken up, she insisted that *'As per my policy document (attached), the complaint I am raising is regarding the sale and/or administration of this policy ...*

*Could you please take a look at the specific content of my complaint one more time and reconsider your position given that the complaint is regarding the sale (renewal) and administration (breach of renewal terms) of the insurance contract?'*<sup>9</sup>

Even the complaint submitted to the Arbiter<sup>10</sup> intrinsically deals with the sale (or the lack of it) of the insurance policy.

---

<sup>5</sup> Pgs. 44-69

<sup>6</sup> Pg. 49

<sup>7</sup> Pg. 50

<sup>8</sup> Pg. 32

<sup>9</sup> Pg. 12

<sup>10</sup> Pgs. 2-3

Therefore, since there was no policy in place with the underwriter, there was no contract of insurance between it and the complainant.

Consequently, the Arbiter cannot order the service provider to honour the claim.

**For the above stated reasons, the Arbiter cannot uphold the complaint. This decision is without prejudice to other procedures the complainant may consider in other jurisdictions regarding the sale/administration of the policy as explained on pages 6-7 of the attached policy document.<sup>11</sup>**

**Since the case has been decided on the basis of a preliminary plea, each party is to bear its own costs of these proceedings.**

**Dr Reno Borg  
Arbiter for Financial Services**

---

<sup>11</sup> Pgs. 49-50