

The complaint

Mrs W has complained that Tedaisy Underwriting Limited gave her unclear information about the renewal of her pet insurance policy.

What happened

Mrs W she'd always insured her pet. In August 2020 she received an email saying the policy would renew on 13 September 2020. The premium quoted was £141.04. As Mrs W was happy with the renewal terms, she didn't think she had to take any action.

In February 2021 Tedaisy contacted Mrs W by email regarding her contact details.

When Mrs W tried to make a claim under the policy in Autumn 2021 for over £500, she was told that she hadn't renewed the policy in September 2020. Mrs W then realised that at the end of the renewal letter it said she needed to contact Tedaisy to pay the premium if the premium was paid annually. She hadn't done that.

Tedaisy thought Mrs W should have noticed that she hadn't been invited to renew the policy in August 2021 and that she hadn't paid a premium since 2019.

Mrs W brought a complaint to this service. Our Investigator recommended the complaint be upheld. He thought the renewal letter was misleading and that Tedaisy should pay Mrs W £200 compensation for the trouble and upset caused to her by that.

Mrs W accepted our Investigator's view and said she would donate the compensation to an animal charity. As Tedaisy didn't agree, the matter has been referred to me.

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.

I've thought about what happened, taking into account the relevant rules and what's fair and reasonable. ICOBS requires Tedaisy to communicate with its customers in a clear and fair way that's not misleading.

I've seen the invitation to renew that was sent to Mrs W in August 2020. The heading said:

“Important information about your Pet Insurance Renewal which will be renewed on 13/09/2020”.

Further down on the first page there was another statement that the policy *“will be renewed on 13/09/2020”*.

The letter asked Mrs W to check that the cover still met her needs.

At the end of the third page the letter said:

“If your policy is an annual payment, please contact us to make payment.”

I don't think it was sufficiently clear from this that Mrs W needed to take some action i.e. pay the premium if she wanted the policy to renew. Some policies renew automatically with payment taken by direct debit and Mrs W might have thought from reading the first page that her policy was one of those especially as it quoted a monthly payment as well as the annual premium.

There's no evidence of any further contact from Tedaisy to Mrs W until it asked her to check her contact details in February 2021. In that email it said *“If you have any queries regarding this or your policy, please contact us on ...”*. So Tedaisy didn't, for example, contact her in Autumn 2020 to make it clear to her that the policy had come to an end. I think it was reasonable for Mrs W to assume that her pet was still insured in February 2021 because that is the most likely reason for Tedaisy needing to ensure it had the correct contact details for her.

I think the unclear renewal letter and the subsequent email about contact details may well have lulled Mrs W into a false sense of security. I also think Tedaisy should have let Mrs W know she no longer had cover.

However I do have to take account of the fact that Mrs W should have been aware that she hadn't received any policy documentation or paid any premiums since 2019.

In the circumstances I think Tedaisy should compensate Mrs W for the trouble and upset caused to her by the unclear wording of its renewal letter. It would have been distressing for Mrs W to find that she wasn't insured after all when she came to make a claim and any future policy she takes out is unlikely to cover her pet's pre-existing condition. I think the sum of £200 is fair and reasonable to compensate Mrs W for the trouble and upset caused by that.

Putting things right

To put things right I think Tedaisy Underwriting Limited should pay Mrs W compensation of £200.

My final decision

For the reasons set out above, I uphold this complaint and require Tedaisy Underwriting Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 24 May 2023.

Elizabeth Grant
Ombudsman