

The complaint

Miss B complains about how ManyPets Ltd administered her policy.

What happened

The circumstances of this complaint are well known to both parties, so I've summarised events.

- Miss B took out a pet insurance policy in October 2022. Having noticed that the first premium payment hadn't debited her account, she contacted ManyPets to find out why.
- In November 2022, ManyPets explained there had been a system error with taking the payment, but that Miss B could make a manual payment over the telephone – which she did.
- But in January 2023, the regular monthly direct debit still hadn't debited her account and so, she got in touch with ManyPets to complain. She said she'd spent three months chasing up matters, and it had been necessary for her to check her bank account regularly to see if the payment had been taken. Around the same time, Miss B made a claim on her policy, which ManyPets accepted.
- Emails were exchanged between the parties in January and February 2023 – with ManyPets attempting to call Miss B to discuss her concerns.
- Later that year, in July 2023, ManyPets wrote to Miss B to say it hadn't been able to collect payments from her, and so, there was an outstanding balance on her account which she needed to pay.
- Unhappy with the service she'd received, Miss B complained. In its final response, dated August 2023, ManyPets apologised for the difficulties the issues with the payment system had caused Miss B.
- It said if Miss B would find it difficult to clear the outstanding balance, it could set up a payment plan to spread the cost. Alternatively, if she'd not made a claim on the policy, it could cancel the policy from the date her last premium was paid and set up a new policy – subject to pre-existing conditions exclusions applying.
- Miss B ultimately, decided to cancel her policy in October 2023 – and as things stand the outstanding balance remains.
- Because Miss B remained unhappy, she brought a complaint to this Service. An Investigator considered it and upheld it. Whilst she thought ManyPets' request for Miss B to pay the outstanding balance was fair, she said it needed to pay £125 compensation to recognise the difficulties the issues with its payment system had caused Miss B.

- ManyPets accepted the Investigator's findings, but Miss B disagreed. She said she wouldn't be paying the outstanding balance, and that the compensation wasn't sufficient. Because Miss B disagreed, the complaint has been passed to me for an Ombudsman's decision.

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.

Having done so, I agree with the outcome our Investigator reach – I'll explain why. The two issues at the heart of this complaint are whether ManyPets should pay compensation for the distress and inconvenience Miss B says she's experienced as a result of it not collecting premium payments on time, and whether it's reasonable for it to require Miss B to pay the outstanding balance.

Miss B's strength of feeling in relation to this complaint and how ManyPets has treated her is very apparent. She's spent time and energy having to contact ManyPets to find out why her direct debit payments weren't taken - and I don't doubt she has been inconvenienced. And understandably, having been reassured the payment system error had been fixed – to find out it hadn't been for a number of months - would have been frustrating for her. And so, I agree compensation is warranted here.

But in deciding what's a fair amount, I have to keep in mind that Miss B was aware her direct debit payments hadn't been taken, as she's told us she was diligently checking her bank account. And so, whilst I understand she's aggrieved at being asked to pay the outstanding balance, I'm not persuaded being asked to, was something she couldn't reasonably have foreseen. That's not to excuse ManyPets' failing to collect the premiums on time, but it does lessen the impact of being asked to pay the outstanding amount had on her. It's worth highlighting this Service doesn't award compensation for each individual error made, rather we have look at the overall, impact. And having done so, I'm satisfied £125 is fair and reasonable in the circumstances and that ManyPets needs to pay Miss B this amount.

With regards to the outstanding balance - Miss B's policy remained in place even though the premiums hadn't been paid. Whilst I accept the premiums weren't taken on time, and this was because of an issue on ManyPets' part, this doesn't mean she didn't have to pay them. Ultimately, Miss B had the benefit of the policy - even making a successful claim on it in January 2023 - and so, she's required to pay for the cover she's had. From what I've seen, ManyPets offered Miss B reasonable ways in which she could pay the outstanding balance - including putting a payment plan in place so as to alleviate any potential financial strain. As I consider its request for Miss B to pay the outstanding balance to be fair and reasonable in the circumstances, I won't be directing ManyPets to do anything else in respect of it.

For reasons of her own, Miss B has decided not to pay the outstanding balance – I'll leave that between her and ManyPets.

My final decision

My final decision is I uphold this complaint and direct ManyPets Ltd to pay Miss B £125 compensation.

ManyPets Ltd must pay the compensation within 28 days of the date on which we tell it Miss B accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 19 March 2024.

Nicola Beakhust
Ombudsman