

The complaint

Mrs H and Miss H complain about the increase in price of a pet insurance policy provided by Royal & Sun Alliance Insurance Limited ("RSA").

What happened

The full details of the complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on providing my reasons for my 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 conclusion reached by the investigator that the complaint should not be upheld. I do so for the following reasons:

- Insurers are entitled to decide how much to charge for the insurance cover they provide. It's up to them how much they increase their premiums, and this can vary from year to year. I don't have the power to tell an insurer how much it should charge. I would in effect be telling a business how it should operate – and that's not my role. But I can consider whether a customer has been treated fairly.
- The starting point for this is that an insurer should treat all customers with the same pricing factors in the same way. RSA has provided details of how the premium was calculated over the years.
- This took account of a range of things including general factors such as the cost of vets' fees, and specific ones relating to Mrs H and Miss H such as the age and breed of their pet.
- I can't provide details of the calculation to Mrs H and Miss H. But having reviewed the information I'm satisfied the increase in this case is based on the rating factors. In Mrs H and Miss H's case, the factors in the size of the increase do include the rising cost of vets' fees and the age and breed of their pet.
- I know Mrs H and Miss H were upset by the increase and I appreciate the new premium was high, but I'm satisfied another customer with the same circumstances as Mrs H and Miss H would have been treated in the same way. So, I don't think they have been treated unfairly.
- I've looked at the documentation that Mrs H and Miss H were provided with when the policy was taken out and it does include a warning that premiums can go up and explains what types of things can influence the price. It also says the cost of looking after a pet's health can double every four to five years, there is no limit to how high a premium might reach and that a customer should budget for price increases at renewal. So, I'm satisfied that Mrs H and Miss H were made aware that the price

could increase at renewal, however I appreciate until that happens, the actual amount is unknown.

- Mrs H and Miss H say they had little time to find a new policy and weren't able to find one that had the same terms as the RSA policy. I appreciate this would have caused inconvenience for them; however, it was their decision not to renew the RSA policy. I haven't found that RSA did anything wrong in how it priced the policy and as such, I can't make an award for the inconvenience Mrs H and Miss H incurred in finding a new policy.

My final decision

My final decision is that I do not uphold Mrs H and Miss H's complaint against Royal & Sun Alliance Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Miss H to accept or reject my decision before 4 February 2025.

Alison Gore
Ombudsman