

## **The complaint**

Miss G is unhappy with the renewal premium Pinnacle Insurance Plc said it would charge when offering renewal of her lifetime pet insurance policy.

## **What happened**

Miss G has had pet insurance with Pinnacle for a number of years (I understand the policy was previously provided by a different insurer). Earlier this year she received a renewal invitation from Pinnacle which showed a significant increase in the annual premium (and the monthly direct debit payment). Miss G complained about that.

Pinnacle explained the factors that had led to the premium increase. Our investigator was satisfied the renewal price had been calculated in line with its underwriting criteria. And so he thought Miss G had been treated the same as other customers with the same circumstances.

Miss G didn't agree. She said if the premiums had increased because vet's fees had gone up then the amount she could claim on her policy should also have increased (rather than staying at the same level). And she'd only made three claims on the policy in the last two years which she didn't think would lead to a significant increase in her premiums. She accepted they could go up but thought the level of increase in her case was too much.

So I need to reach a final 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.

In general the cost of insuring a pet will increase each year as the pet gets older and the cost of medical treatment rises. Standard pet insurance policies usually won't cover any medical conditions the pet had or had received treatment for when the policy was taken out or renewed. So recurring medical conditions won't be covered. But some pet insurance policies, like the one Miss G took out, will continue to cover medical conditions claimed for in previous years (up to the policy limit) provided the policy is renewed each year.

These are sometimes referred to as lifetime policies, as ongoing or recurring conditions will continue to be covered for the lifetime of the pet (subject to policy limits) if premiums carry on being paid. The yearly cost of these lifetime policies can go up significantly at renewal, particularly if a claim is made. And there is no limit to how much the premium could be. 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 by and it's common for the percentages of increase to vary from year to year. I don't have the power to tell a business what its insurance should cost. I would be, in effect, determining or telling a business how it should operate – and that's not my role.

So while I do appreciate that Miss G's policy went up by a significant amount at renewal this year I can't say cost of her policy was too high or that she should have been charged less for it. And Pinnacle has explained in general terms the reasons for that increase and what's driven that change. I've reviewed the underwriting information it's provided (which show the rating factors that led to it). I'm satisfied it's based its decision on correct information (taking into accounts things like the pet's breed, age, gender and location).

Miss G says if vet's fees have increased the limit on her policy should also increase. I understand that point but if the amount she could potentially claim on the policy had gone up I think it likely the premium would have increased by even more than it did to reflect the additional risk to Pinnacle of having to pay out higher value claims. And the claims Miss G has made on the policy together with other rating factors will play a part in its decision on the overall premium to charge for it. I appreciate Miss G feels that resultant increase is too high but as I've explained that isn't something I can decide. I am satisfied the factors applied are the same as would apply to any other customer in the same position as Miss G and I can't conclude Pinnacle has done anything wrong here.

### **My final decision**

I've decided not to uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 2 January 2025.

James Park  
**Ombudsman**