

## **The complaint**

Mr W complains that he's been overcharged for his pet insurance policy since mid-2022.

Great Lakes Insurance SE (Great Lakes) was the underwriter of Mr W's policy between September 2021 and September 2023. However, since September 2023, the policy has been underwritten by a different insurer. Whilst there was a change of insurer during the time Mr W has had a policy, the administrator remained the same and handled matters on each insurer's behalf. This is important for the reasons I've explained below.

## **What happened**

Mr W has a pet insurance policy for his two dogs. The policy was underwritten from September 2021-2023 by Great Lakes, and after that point by a different insurer. But the administrator remained the same throughout.

When Mr W made a claim for treatment for one of his pets in 2023, from the vet history, the administrator noticed that Mr W's pets had been neutered and adjusted this on the policy in December 2023. This reduced the policy premiums.

Mr W complained that the administrator had the vets notes in 2022 during a previous claim, so he says they should have noticed this sooner and adjusted his policy. Consequently, Mr W said he's been overcharged since mid-2022 which included the period both Great Lakes and the current insurer underwrote the policy.

The administrator said that the claims team now carried out tighter checks on policy details against vet records and this was why it had now been picked up. They said the responsibility to make sure the records were correct was Mr W's. But, on behalf of the current insurer, they agreed to backdate the difference in premiums to the latest renewal in September 2023, and to refund £23.92. However, they didn't agree to refund the difference prior to this when Great Lakes were the insurer.

Mr W remained unhappy that the administrator hadn't refunded the difference back to mid-2022 so he approached the Financial Ombudsman Service.

One of our investigators looked into things but she didn't uphold the complaint. She said the onus was on Mr W to make sure the information was correct, and she didn't recommend any further refund be provided.

Mr W didn't agree and asked for a final decision from an ombudsman.

I issued a provisional decision to give both parties an opportunity to comment on my initial findings before I reached my final decision.

## **What I provisionally decided – and why**

In my provisional decision, I said:

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*As explained above, the same administrator acted on behalf of both Great Lakes and the current insurer for their respective time on risk. So, the administrator has essentially answered the complaint for both insurers as they've considered the full time period Mr W had a policy. I've written separately to the current insurer (and administrator) about the time they were on cover. This case solely relates to the period Great Lakes were on cover.*

*I don't think our investigator looked at things correctly, as she didn't identify there had been a change of insurer. As the complaint has now been separated, I'm issuing a provisional decision to give both parties an opportunity to comment on my initial findings before I reach my final decision.*

*The administrator of the policy says that it was Mr W's responsibility to ensure his pets details were correct on his policy. Therefore, they say no refund of the difference in premiums is due for the period Mr W was insured with Great Lakes when his pets were incorrectly recorded as not neutered, which attracted a higher premium, when they were actually neutered.*

*I agree that there is a responsibility on Mr W to make sure his policy information is correct. But in these specific circumstances, I don't necessarily fully agree with what the administrator has said, for a couple of reasons.*

*Firstly, I note the policy terms, which the administrator has referred to, say:*

*"You must tell us as soon as possible if your or your pet's details are wrong or change at any point. For example, you move home, your pet was spayed or neutered, or your pet's age is incorrect."*

*So, this does say Mr W needs to make sure the information is correct. However, I read this as a generic statement which would be in all policies for all policyholders. I've not seen any terms or conditions for another pet, which had been neutered, or that this paragraph would be written differently to account for that. So, I'm assuming this is a generic paragraph regardless of a pet being neutered or not.*

*The remainder of the policy documents don't refer to Mr W's pets being neutered or not neutered. So, assuming this is a generic statement in all policies, Mr W would need to recall exactly what he said when taking out the policy in order to decide whether the information was correct or not, based on memory alone, as the answer to neutering status isn't reflected in the documents.*

*Furthermore, from my understanding, a previous claim was made when Great Lakes were the underwriter. And medical notes were provided at that time. So arguably, Great Lakes would have been aware of the neutering status of Mr W's pets from this. But I also accept they may not have been actively looking for this, and as mentioned by the administrator, this is now looked at more closely than previously.*

*But in any event, regardless of whether Mr W should actively have told Great Lakes, or Great Lakes should have acted on the information they already had, the simple fact is that if the price should have been less based on the correct information, Great Lakes has benefitted from receiving additional premiums which were never due and shouldn't have been charged based on the actual risk they were covering during this time.*

*I don't know exactly what the additional premiums were for the time on risk with Great Lakes, as the administrator only calculated this for the period of the current insurer (it was a difference of £7.97 per month). But the administrator confirmed:*

*"As neutering has been a pricing factor on our policies for several years..."*

*So, it appears the policy should always have been cheaper, had the true risk been recorded (regardless of who should have amended it).*

*Therefore, unless anything changes as a result of the responses to my provisional decision, I'll be directing Great Lakes to recalculate the premiums from when Mr W's pets were neutered to when Great Lakes stopped underwriting the policy in September 2023, and to refund Mr W any difference in premiums that he's overpaid.*

*I should add here that Mr W has said that if there is any refund due as a result of a direction from this service, he'd like it to go to a dog charity. However, if my final decision remains the same as my provisional decision, I'll be directing Great Lakes to reimburse Mr W directly, but of course he is free to pass that on to a charity of his choosing if he wishes to."*

So, I was minded to uphold the complaint and to direct Great Lakes to:

- Recalculate the premiums from when Mr W's pets were neutered to when Great Lakes stopped underwriting the policy in September 2023
- Refund Mr W any overpaid difference in premiums

### **The responses to my provisional decision**

Mr W responded and said he agreed with the provisional decision and had nothing further to add.

The administrator, on behalf of Great Lakes, responded and said that they were unable to find any evidence that Mr W contacted them to update the policy information regarding neutering status. But they also agreed the documents could have been more detailed to include this.

The administrator, on behalf of Great Lakes, maintained the onus was on Mr W to update them and he would have been aware of the operations his pets had. So, they maintained they weren't responsible for the oversight or that they should refund premiums on that basis. But they also said that to resolve things, they would agree to refund the difference in premiums as outlined in the provisional decision.

The administrator, on behalf of Great Lakes, said there were 16 months from September 2023 to May 2022, and £7.97 per month would be £127.52.

### **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.

And I've thought carefully about the provisional decision I reached and the responses to it. Having done so, my final decision remains the same as my provisional decision, and for the same reasons.

I recognise the administrator, on behalf of Great Lakes, maintains the onus was on Mr W to update them, but also accepts the documents could have been more detailed. And they maintained they weren't responsible for the oversight. But I also summarised in my provisional decision:

*"...regardless of whether Mr W should actively have told Great Lakes, or Great Lakes should have acted on the information they already had, the simple fact is that if the price should have been less based on the correct information, Great Lakes has benefitted from receiving additional premiums which were never due and shouldn't have been charged based on the actual risk they were covering during this time."*

And my thoughts on that remain the same, that regardless of who was responsible for the oversight, the simple fact is that Mr W has paid more than he should have, so the insurer has benefitted from additional premiums that weren't due for the risk they were covering.

In my provisional decision, I said I was minded to direct Great Lakes to recalculate the premiums from when Mr W's pets were neutered to when Great Lakes stopped underwriting the policy in September 2023, and to refund Mr W any overpaid premiums.

The administrator, on behalf of Great Lakes, has said this was a 16-month period, and they have said the amount is £127.52 based on £7.97 per month. However, my final decision direction is going to be the same as outlined in my provisional decision, rather than directing this exact amount be paid to Mr W. I'll explain why.

As outlined in my provisional decision, the difference in premiums of £7.97 was what it should have been with a different insurer since September 2023. It's unclear to me whether the administrator, on behalf of Great Lakes, has actually recalculated what the difference should have been with Great Lakes before September 2023, or has simply based the calculation on the difference already calculated for post September 2023 with the new insurer.

Therefore, I can't conclude for certain that the amount of £127.53 is the amount Mr W has overpaid with Great Lakes. So, I'll be directing the same as in my provisional decision, and Great Lakes will need to recalculate the premiums from when Mr W's pets were neutered to September 2023 when they stopped underwriting the policy, and refund Mr W any overpaid premiums (which may actually be a different amount to that outlined).

### **My final decision**

It's my final decision that I uphold this complaint and direct Great Lakes Insurance SE to:

- Recalculate the premiums from when Mr W's pets were neutered to when Great Lakes stopped underwriting the policy in September 2023
- Refund Mr W any overpaid difference in premiums

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 7 January 2025.

Callum Milne  
**Ombudsman**