

The complaint

Miss D's complaint is about a claim she made on her Wakam pet insurance policy following the death of her pet.

Miss D doesn't feel the amount Wakam have offered her for the value of her pet is enough and wants them to offer her more.

What happened

Miss D's pet sadly passed away. Following this she made a claim on her policy for the value of her pet.

Wakam asked Miss D for evidence of the price she paid for it, but she didn't retain proof of purchase. Because of this Wakam offered her what they considered to be market value for her pet then reduced that amount by 30% to take account of the pet's age when it died.

Miss D says this is unfair and wants Wakam to pay her more than they have offered her.

Our investigator considered Miss D's complaint and concluded it should be upheld. She said that Wakam's policy terms didn't reference that a deduction on value could be applied to the pet's age, so it was unfair for them to deduct this amount now. The investigator thought that Wakam should remove the deduction and settle the claim in the terms they'd offered and pay Miss D £100 in compensation for the distress and inconvenience caused to her. Miss D accepted the investigator's view, but Wakam did not. Because of this the matter has been passed to me to determine.

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 uphold Miss D's complaint for broadly the same reasons set out by the investigator.

The starting point is the policy terms. They say:

"What will will pay for

If one of your pets passes away or is put to sleep, we will pay you the amount you first paid or donated for them. We can only pay up to the limit shown above.

If you paid nothing for your pet, or you cannot prove how much you paid, we will pay you the market value of your pet."

Miss D couldn't prove what she'd paid for her pet, so Wakam calculated what they thought amounted to the market value of it, taking into account an average across the prices of pets of the same breed close to where Miss D lived. They said this amounted to £1560. But they also deducted 30% from this cost to account for the age of Miss D's pet when it passed away.

Wakam has said they're entitled to do this because their policy terms say that to work out the market value of a pet, they use their age, gender and breed on the date they were stolen or went missing. But there's no reference to this within the policy terms that apply to Miss D's period of insurance and the policy provides for the sum a policyholder first paid for their pet irrespective of their age if they can provide proof of purchase. So, I don't think it's fair for Wakam to apply the reduction they've made to the market value they've applied. And whilst I appreciate why Wakam feel their calculation is fair, they haven't provided for this either in a policy definition or anywhere else in their terms. In addition, I take the view that it's unreasonable for Wakam to seek to reduce a claim so considerably with reference to the pet's age if no proof of purchase is available since the purpose of the policy is to put a policyholder back in the same position by reimbursing them for the cost they paid for their pet. On that basis I don't think a policyholder would or should reasonably expect a deduction for their pet's age if they can't provide proof of purchase especially as nothing is contained within the policy terms to support this. In the absence of anything to suggest that Wakam are entitled to make this deduction, I think the fair thing to do is for them to pay Miss D the market value they calculated for the pet of £1560, subject to the remaining policy terms.

Miss D has made submissions about the frustration she felt about how her claim was handled and the fact that the amount Wakam offered her wasn't sufficient to cover the cost of a new pet of the same breed. I appreciate their decision would have caused her both stress and inconvenience at an already difficult time, following the loss of her pet. As such I think Wakam should pay her £100 in compensation for this.

Putting things right

Wakam should pay Miss D:

- £1560 representing the market value of her pet, subject to the remaining policy terms.
- £100 in compensation for the stress and inconvenience caused to her as a result of their handling of her claim.

My final decision

For the reasons set out above, I uphold Miss D's complaint against Wakam.

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

Lale Hussein-Venn
Ombudsman