

## The complaint

Ms S' complaint is about the cost of renewing three pet insurance policies for her pets.

Ms S says the policies increased by 95%, which is unreasonable.

## What happened

Ms S held lifetime pet insurance policies for her three pets with Covea. When it was time to renew her policies, Covea increased her premium considerably and by around 95%.

Ms S says the increase is extortionate and unacceptable and that Covea has not justified the increase with reference to her pets' ages. She also says that for the first time she has found herself in a position where she can't afford to renew the cover and that she has never found herself in such a predicament before.

Our investigator considered Ms S' complaint and concluded it should be upheld. Covea did not agree so the matter was passed to me to determine. In February 2025 I issued a provisional decision in which I said:

*"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 don't uphold Ms S' complaint against Covea. I'll explain why.*

*The Financial Conduct Authority doesn't regulate on the prices insurers charge or the methods an insurer might use to calculate the price of an insurance policy. So, the Financial Ombudsman Service won't usually make any determinations about the way an insurer chooses to assess risk, the risk assessments it makes or the premium it charges to cover a certain risk. The only aspects that this Service can consider in relation to pricing are:*

- Whether a policyholder has been treated differently to the way other consumers would be in the same circumstances.*
- Whether the price being charged is based on the correct information.*
- Whether a consumer is being given clear information to make decision with, such as whether to seek cover elsewhere.*
- Whether a consumer who doesn't have the freedom to change insurers and choose what premium to pay has been treated fairly, taking into account the insurer's approach.*

*Given the limited nature of the issues we're able to consider in relation to pricing of insurance policies, I've restricted the findings in my decision to these areas. Whilst I appreciate that this will be disappointing for Ms S, I won't be able to give her an answer on anything that falls outside of the points I've listed above.*

*Ms S held three lifetime pet insurance policies with a different underwriter which had been taken over by Covea at renewal. It's important to point out that lifetime pet insurance policies are more comprehensive than other types of pet insurance so they can be expensive, and the cost will almost certainly go up each year as the pet gets older and*

*there's more risk of a claim. Other factors can contribute to prices increase such as increased vet costs and other changes in underwriting by insurers.*

*Insurers constantly update how they rate the risk of offering insurance and their rates continually change. In this case Covea has provided the Financial Ombudsman Service with confidential business sensitive information to explain how Ms S' price increase was calculated. As the investigator explained we can't share that with her, but I have checked it carefully. Having done so I'm satisfied that the price she was quoted has been calculated correctly and all of Covea's customers in the same position will have been charged a similar premium.*

*In Ms S' specific case I can see that the most significant impact on the price of the policy was her pets' ages as they were considered to be higher risk at this point. It's of note that her pets were aged 17, 15 and 14 respectively. And on one of the three policies, claims had been made in the previous policy year which Covea said increased the risk of further claims being made. Having considered the details contained within Covea's renewal documents and in the absence of any evidence to the contrary, I'm also satisfied that the price that was offered to Mrs S was based on the correct information for the pets.*

*I know Ms S might have felt that Covea didn't give her enough information to justify the reasons for the increase in her policy premium. I appreciate she might have wanted Covea to share how her price increase was calculated specifically but for the reasons I've mentioned, I don't think they needed to. We wouldn't expect an insurer to give customers a breakdown of the calculation they've applied. In this case Covea did explain the risk factors that led to the price of the policy increasing. And I think Ms S had enough information to decide whether she wanted to renew the policy or seek insurance cover elsewhere.*

*Although I note this was a lifetime pet insurance policy - which means that as long as Ms S renews the policy, she can claim up to the vet fee limit each year and the policy will continue to cover long term or recurring illnesses - I haven't seen anything which supports that her freedom to change insurers was restricted. Whilst doing so would most likely have meant that cover for long term or reoccurring illnesses would not be covered, she could have chosen not to renew and gone elsewhere. It is of course possible that based on her pets' ages another insurer might not have been prepared to offer cover but I haven't seen any evidence to support this so I can't say no alternative cover would have been available. I appreciate that Ms S has chosen not to renew her policy given the cost of it, but this doesn't mean she didn't have the freedom to go elsewhere, although I acknowledge this might have been in circumstances she might have considered less favourable.*

*When determining this complaint, I have taken on board what Ms S has said about the fact that she couldn't have expected such a steep premium increase when she took out the policy. When I'm looking at a complaint about the premiums of a lifetime pet insurance policy increasing, I need to look at the information the consumer was given when they bought the policy, to see how clearly the long-term costs of the policy were explained when Ms S was deciding whether to enter into the insurance contract. Covea didn't sell Ms S the policy so it's not responsible for the information provided to her when the policy was sold. Covea wasn't even the insurer at that time. So, I can't reasonably say Covea must pay Ms S compensation for any distress and inconvenience she had due to the premium increases over the years. If Ms S still thinks the long-term costs of the policy weren't explained to her when she took out the policy, she'll need to make a separate complaint to the insurance administrator who sold it to her accordingly.*

*Finally, I note the investigator said in her view that she didn't think Covea made Ms S aware that a change in their underwriting the policy meant that the price of the policies could increase considerably. But that's not actually what happened in this case. Covea taking on*

*the insurance didn't as far as I can see increase the policy premiums. The risk factors I've referred to above did. As such I won't be awarding any compensation because I don't think there was a failing here that Covea were responsible for."*

I asked both parties to provide me with any further comments or evidence for me to consider in response to my provisional findings. Both Ms S and Covea have responded. Covea have said they have nothing further to add whilst Ms S has asked for a final decision. She says she disagrees with my findings but has not provided any further reasons.

### **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 remain of the view that Ms S' complaint should not be upheld for the reasons I set out within my provisional decision.

Although Ms S is of course entitled to disagree with my findings, she hasn't provided me with any further evidence or comments that persuade me those findings were wrong. In the absence of that, there is nothing further for me to review that would lead me to a different conclusion.

### **My final decision**

For the reasons set out above, I don't uphold Ms S' complaint against Covea Insurance plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 12 March 2025.

Lale Hussein-Venn  
**Ombudsman**