

## **The complaint**

Miss T has complained that contrary to what she was told when she bought her lifetime pet policy from Many Pets Limited (formerly Bought by Many Ltd) that her premium wouldn't increase due to claims, she discovered that her renewal premium has now doubled due to a claim she had made.

For ease of reference, I shall just refer to Many Pets throughout this decision.

## **What happened**

Mrs T bought her policy from Many Pets in November 2020. She said one of the important considerations in choosing this lifetime policy was that any claims made wouldn't impact her premium. Bought by Many changed to Many Pets in 2022. And in 2023 Mrs T made a claim for vet fees for her dog.

At her annual renewal of the policy in 2024, Mrs T saw that her premium had almost doubled. So, she complained about this. Many Pets on behalf of the underwriter didn't uphold her complaint as it felt the increase wasn't unreasonable. It was based on rising vet costs, her dog's age and breed and that she had made a claim.

Mrs T remained dissatisfied, so she brought her complaint to us. The investigator split her complaint into two parts, one against the underwriter who decided her premium amount which is now closed and this one against Many Pets as the entity that sold her the policy. This decision is only about the sale of her policy by Many Pets.

Many Pets sent Mrs T an updated final response letter and offered her £200 compensation. It acknowledged that when Mrs T first bought her policy in 2020, it did say claims wouldn't affect the premium. However, in order to be fair to all their customers they had to revise their approach because customer attitudes changed over time and customers in general didn't like the idea of paying for other people's claims in premium rises when they hadn't made a claim themselves. It acknowledged the rise in the premium was unexpected, so it paid her £200 compensation.

So, on this basis the investigator felt Many Pets should increase the compensation to £350 but otherwise she didn't think it needed to do anything more.

Mrs T didn't think this was enough for her future losses. So, on that basis her complaint has been passed to me to decide.

## **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'm upholding this complaint but only for the further compensation suggested by the investigator. I do understand and appreciate Mrs T will be very disappointed, so I'll now explain why.

As this is a lifetime policy covering the pet for his or her lifetime, the premium tends to be more expensive and increases along with the pet's age as the risk of having to pay claims increases as the pet gets older. There is no limit as to how high the premium might increase by. So, the cover is far more extensive than other types of pet policies as in those policies the risks are more limited than with a lifetime policy. In a lifetime policy the insurer is on risk for the policy limit every year.

Insurers are entitled to decide the extent of the premium to charge for the cover provided to include lifetime pet insurers. The only curtailment to this from the regulations is that insurers aren't permitted to single out any one customer and treat them differently to any other customer in similar circumstances. So as Mrs T will have noted from her complaint against the underwriter, the premiums must accord with the underwriting guide to ensure everyone in similar circumstances are treated the same. More importantly, virtually every policy allows an insurer to change the premium at renewal.

Here, the issue is that Mrs T was told by Many Pets when she bought her policy in 2020 that any claims, she made wouldn't increase her premium amount. Many Pets acknowledged that Mrs T was told this in 2020. Many Pets also acknowledged it decided to review that promise in 2022. This meant when Mrs P made her claim in 2023 then her renewal premium in 2024 included an increase due to her claim. So, I can understand why Mrs T is aggrieved. There were very few insurers who provided this promise in 2020 and most likely even less now. Many Pets explained that other customers weren't happy with a premium increase which was in effect paying for a claim like Miss T made, hence it revised its promise and decided to take claims into account so as to not penalise other customers who hadn't made any claim. The regulations under which Many Pets operate does have strict principles to 'treat customers fairly' too, so I can understand the dilemma it found itself in to a degree as well.

Premiums sadly have significantly increased for virtually all insurance over the recent years and for pet insurance especially given the significant rise in vet fees.

Mrs T told us that she had experience of pet insurance premiums increasing with her father's dog. So, finding this policy which said it didn't take claims into account was a considerable factor in her decision to get a dog. She felt a lifetime policy meant that her premiums wouldn't increase unexpectedly. But the premiums have risen significantly due to the increase in vet fee costs alone, so it's not the case that because it was a lifetime policy increases in vet costs wouldn't affect Mrs T's premium. So, I'm not persuaded Mrs T wouldn't have chosen lifetime cover with another provider had this one not been available. And I agree with the investigator that it would have been unlikely Mrs T could have found another provider who didn't take claims into account when setting the renewal premium each year.

Our general stance on this issue is that the removal of this type of promise causes distress and upset for which compensation might be payable. It's not really a breach of contract as the policy is renewable annually and the policy permits changes (usually increases in premium at least) on renewal. It remains Mrs T does have lifetime cover for her dog so the reason for the claim continues to be covered annually for her dog. There is nothing to stop Mrs T moving to another provider if she wants but it remains unlikely the cause of her claim wouldn't be covered by any other provider.

Given the distress and upset caused by the consideration of claims made in the renewal premium, I agree that compensation is payable from Many Pets to Mrs T for the distress element only. Compensation isn't paid to cover future premium levels it is merely paid for the upset and disappointment caused. Like the investigator, I don't think the £200 paid by Many Pets was at the right level. I consider £350 is more appropriate and more in line with our approach to compensation which is more fully detailed on our website.

### **My final decision**

So, although Mrs T will be disappointed, it's my final decision that I'm upholding this complaint for further compensation only.

I now require Many Pets Limited to pay Mrs T a further £150 compensation ensuring the total she receives is £300 compensation for the distress and upset it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 5 June 2025.

Rona Doyle  
**Ombudsman**