

The complaint

Miss R's complained about the amount Wakam increased her pet insurance premiums on renewal of her policy, and about the policy auto-renewing.

References to comments and actions by Wakam include those made by the policy intermediary acting on their behalf.

What happened

Miss R has a pet dog, whom she insures. In summer 2024, when she received her renewal notification, Miss R was shocked to see that her monthly premium would rise from £188.17 to £423.44.

Miss R contacted Wakam to find out why the premiums had risen so much. She was aware that she'd made claims – which she knew would affect the price. But she says there were fewer claims than in previous years – when the price had risen by far less.

Miss R also wanted to explore whether there were any options to reduce what she had to pay. She contacted Wakam several times to try and do this. But she was given inconsistent information each time she called. And she wasn't told that reducing the value of her cover from £15,000 to £7,000 would mean losing a number of the benefits provided by the higher value policy. Miss R was also concerned that the policy had renewed automatically.

Wakam responded to Miss R's concerns, saying that the cost of pet insurance could rise significantly from one year to the next. They said factors which contributed to increases included rising vets fees, a pet's age and breed, and the claims history. They said that they were confident the increase in the cost of Miss R's policy wasn't unreasonable.

Wakam accepted Miss R had been given conflicting information about alternative costs, which they said was due to some information about her dog being wrong. They apologised for this and for the fact that Miss R had been promised a call from a manager – which didn't happen.

Miss R wasn't satisfied with Wakam's response and brought her complaint to the Financial Ombudsman Service. In addition to the complaints she'd made to Wakam, Miss R told us she was unhappy the policy had auto-renewed, even though Wakam were aware she had concerns. And she wanted to know the details of how her premium had been calculated.

Our investigator reviewed the information available. She explained it's not the function of our Service to say what a premium should be. And, while insurers will share underwriting data with us, it is commercially sensitive so can't be shared with customers. But she was satisfied that Wakam had used the data to calculate the premium in the same way they would for any customer – so she couldn't say they'd been unfair.

But the investigator did think Wakam's service had fallen short in relation to providing inconsistent quotes and not returning calls. She said Wakam should pay £200 compensation for this.

Following receipt of the investigator's view, Wakam reviewed their handling of the complaint and offered to pay Miss R £250 compensation. The investigator endorsed the increase and Wakam paid Miss R. But Miss R didn't agree this was enough to resolve her complaint. So the matter's been passed to me to make a 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.

Having done that, I don't think Wakam need to do any more than they already have to resolve Miss R's complaint. I'll explain why, focusing on the points and evidence I consider material to my decision. So, if I don't refer to a particular point or piece of evidence, it's not because I haven't thought about it. Rather, I don't consider it changes the outcome I've reached.

As our investigator explained, we can't tell insurers how much they can charge. But we can ask them to evidence that they calculated Miss R's premium fairly - in the same way they would for any customer. I know Miss R wants the details about that calculation. But underwriting data is commercially sensitive information we can't ask Wakam to share. And it's provided to our Service on the understanding it won't be.

In their response to Miss R's complaint, Wakam explained that the factors which had had the largest impact on the renewal price were her dog's breed and her claims history. And they said that rising vets' costs have contributed to their general price increases. What they've said is consistent with the underwriting data Wakam provided. So, while I understand why Miss R's upset there's been such a large increase in her premiums, I'm satisfied that increase was calculated fairly and reasonably.

Miss R also wanted to know why the intermediary placed her insurance with Wakam, rather than with another insurer. That's an issue which – if she wants to pursue it – she'd need to raise with the intermediary separately.

In relation to auto-renewal, I understand Miss R is unhappy because she says she hadn't agreed to this happening, as she hadn't received clear information about her options. To help me make a decision on this part of the complaint, I asked Miss R to provide a complete copy of the renewal email she received.

Unfortunately, Miss R hasn't been able to provide that document. But Wakam has provided a copy of the 2023/24 policy. This includes a paragraph which says:

"Your policy starts on [date] 2023 and will run for 12 months. It will renew automatically unless you tell us to stop the policy. We do this to make sure there are no gaps in your cover."

I'm satisfied from this that Miss R was made aware the policy renewed automatically. I appreciate that she was discussing options with Wakam shortly before the renewal. Wakam have provided their notes of those calls. None of these show Miss R told Wakam she didn't want the policy to renew automatically.

I don't think it's reasonable to say Wakam should have assumed she wanted to stop the automatic renewal because – as the policy says – automatic renewal meant her dog had continuous cover, which may otherwise have been lost. If she then had to get a new policy, it's unlikely any existing conditions her pet had would be covered by the new policy. And I've noted that Wakam's response to the complaint gave Miss R the option to change her policy

outside of the usual 14-day cooling-off period. So I don't think she was disadvantaged by the policy auto-renewing.

Finally, I've considered the communication issues Miss R complained about. Wakam have acknowledged they gave inconsistent quotes because information about her dog had been incorrectly changed. And they've accepted Miss R didn't receive a call back from a manager as she'd requested.

All these issues arose over a relatively short period – about two and a half weeks. I appreciate Miss R was trying to obtain information to help her make decisions about her renewal and this frustrated those efforts. But mistakes do unfortunately happen. And, as I noted above, Wakam extended the time for her to make changes she wanted to beyond the standard 14-day cooling-off period.

Taking all of that into account, I'm satisfied the £250 Wakam have paid Miss R is enough to compensate her for Wakam's admitted customer service failings. So I don't think they need to do any more than they have to resolve her complaint.

My final decision

For the reasons I've explained, I'm satisfied Wakam have done all they need to to resolve Miss R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 1 August 2025.

Helen Stacey
Ombudsman