

## **The complaint**

Mr J complains that the premium on his pet insurance policy, underwritten by Wakam, was to almost double at renewal.

## **What happened**

Mr J has a pet insurance policy for his pet dog. He bought the policy in August 2020 and has renewed it each year since.

When the policy was due for renewal in August 2024, the premium required had increased from around £65 per month to around £130 per month. He complained about the increase and said it wasn't fair to expect him to pay twice as much.

In its response to the complaint Wakam explained that various factors were taken into account when setting the premium, including rising vets' fees, the age and breed of his pet and his claims. Mr J remained unhappy and referred his complaint to this Service.

In response to our investigation, Wakam provided details of how the premium had been calculated. Our investigator was satisfied the premium had been calculated correctly, taking into account the relevant factors including the dog's age and breed, and the claims made on the policy.

The investigator said he wasn't upholding the complaint about the premium increase as it was reasonable. But he said the offer of £200 for the level of service Mr J had received was fair.

Mr J didn't agree, and the case 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 agree with the outcome reached by the Investigator. Let me explain why.

Insurers are entitled to decide how much to charge for the insurance cover they provide. It's up to them how much they increase their premiums and this can vary from year to year. I don't have the power to tell an insurer how much it should charge. I would in effect be telling a business how it should operate – and that's not my role. But I can consider whether a customer has been treated fairly.

The starting point for this is that an insurer should treat all customers with the same pricing factors in the same way. Wakam has provided details of how the premium was calculated. This took account of a range of things including general factors such as the cost of vets' fees, and specific ones relating to Mr J such as his postcode, the age and breed of his pet, and the claims he's made on the policy.

I can't provide details of the calculation to Mr J. But having reviewed the information I'm satisfied the increase in this case is based on the rating factors. In Mr J's case, the factors in the size of the increase included the age of his pet and the claims he had made. These factors will generally lead to premiums going up due to the increase in risk.

I appreciate the new premium was high but I'm satisfied another customer with the same circumstances as Mr J would have been treated in the same way. So, I don't think he has been treated unfairly.

Wakam have however, offered £200 to Mr J for not making him aware sooner that the premium of his policy was calculated using previous claims as a factor. They say prior to July 2022, this wasn't a rating factor. But that policy changed and there's no evidence Mr J was made aware, so they have offered him £200 for the distress and inconvenience of this. Mr J hasn't provided any other evidence to show the impact was more significant and didn't originally complain that he wasn't aware of this. So, I think the offer of £200 is fair for this in the circumstances.

In summary, I can't say Wakam had calculated Mr J's premium incorrectly or treated him unfairly with how it was priced. I also think the offer they have made of £200 for a separate matter is a fair one.

### **My final decision**

My final decision, is that the offer made by Wakam to put things right of £200, is a fair one. They should pay this to Mr J, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 18 July 2025.

Yoni Smith  
**Ombudsman**