

DRN-5489339



The complaint

Mr J has complained that Many Pets Ltd unreasonably cancelled his pet policy because it said an annual premium payment hadn't gone through in 2022 despite renewing his policy in 2023.

What happened

Mr J took out a pet policy with Many Pets for his dog and paid his premium annually. In September 2024, he was aware his policy was due for renewal and said he was looking out for the renewal invite. As he never received one, he contacted Many Pets on 26 September 2024 and updated his email address. At that stage he was told there was a computer system error which meant renewal invites weren't being generated. So, he said Many Pets would phone him back.

Mr J said that he never received that call back, so he called again on 1 October 2024. This time he was told that his annual premium payment of £198.28 in October 2021 was showing as not paid. And that this was the reason his policy had been suspended.

This adviser gave Mr J three options:

- Pay this £198.28 premium again and his policy will be reinstated.
- Obtain a new quote and come back to Many Pets as a new customer.
- Leave the policy cancelled with no further payment due.

Mr J didn't think any of these options were fair as he knew he had paid his premium each year. He was also very upset and distressed his policy had effectively been cancelled but that Many Pets never told him that. This meant he had no cover if his dog became ill or if something happened where his dog could be found liable. He remained incredulous that Many Pets simply never told him his policy was cancelled either.

Mr J then checked with his bank and obtained written confirmation from his bank of his payment of every annual premium he paid to Many Pets. He complained to Many Pets and included his bank's confirmation of his payment of all the required annual premium payments on 3 October 2024. As Many Pets delayed in responding to his complaint, Mr J brought his complaint to us on 9 December 2024.

Many Pets then issued its final response letter on 18 December 2024. It clarified that the missing annual premium was now for 2022 instead of 2021. That premium amount was £222.57. And it confirmed its system said this didn't go through. It was of the view that this happened because banks had introduced a new payment authorisation system which it said Mr J didn't do properly hence his payment failed. So, it maintained it hadn't received the annual premium for 2022. It also said it found this out in doing a system sweep. So, it didn't agree to waiving this premium payment as it still needed to be paid again, if Mr J wanted to renew his policy. And it decided to pay him £200 compensation. So, it reiterated the three options above were still available, just noting the different year and different premium amount. Mr J continued to maintain this was unfair.

The investigator was of the view Many Pets hadn't done anything wrong as regards the missed premium payment, but she thought it should increase the compensation to £350. Many Pets agreed to this, but Mr J remained very dissatisfied, so his complaint was passed to me to decide.

I issued a provisional decision on 22 August 2025, and I said the following:

'Having done so, I'm intending to uphold this complaint. I'll now explain why.'

This is an extremely unusual case. As normally, if there is a premium payment issue, the insurer or intermediary charged with collecting the premium on behalf of the insurer, such as Many Pets here, would know instantly if a premium payment, such as an annual premium that Mr J was paying, hadn't gone through properly. Such

internal systems then simply won't permit the policy to renew without that premium being paid.

However, Mr J's policy did renew happily each year, and he received an acknowledgement that it did renew every policy year too. For 2022, this acknowledgement said 'we have received your payment of £222.57 for your renewal. Good news – this has gone through successfully and your cover for [name of dog] will continue as your renewal occurred on 1/10/22'. So, I'm at a loss to understand why if the premium payment didn't reach Many Pets as it now alleges, how its system can not only generate the renewal, but also confirm so precisely the payment went through.

Many Pets also acknowledged it didn't follow the process outlined in the policy, for premium payment failure. As that says if a premium payment is missed, it will tell the policyholder by email that it was so missed, explaining what the policyholder needed to do, and when by, on order to keep the policy active. Mr J heard nothing at all from Many Pets, it simply didn't bother to send him out a renewal invitation instead. And that was the only reason he discovered all this. I certainly don't consider that is good enough customer service which I shall consider further below.

Many Pets decided in 2024 that first the premium payment for 2021 didn't go through and then corrected itself to the fact it now believes the 2022 premium payment didn't go through instead. It initially said this was because of a system sweep. But now it has confirmed to me that no such system sweep occurred at all. So, I am not convinced Many Pets are at all confident this premium amount wasn't actually received by it and indeed I'm not convinced how it allegedly found out it wasn't actually paid either. Therefore, on balance I consider that it was paid but is lost somewhere in Many Pet's system, most likely.

This is because many Pets can't seem to show me adequately, where in its system it is noted that the premium payment is missing. I don't consider its screen shot showing that '3D secure system attempt is incomplete' is sufficient evidence to show me this premium was never paid. This is because that is just showing a payment attempt and crucially it is not showing there wasn't another attempt or whatever. So, it's simply not good enough evidence. What I needed to see was a system screen shot or an account balance sheet that showed clearly that Many Pets never received this payment from Mr J or rather his bank on 1 October 2022. Clearly from Mr J's bank statement, this premium was indeed paid to Many Pets but on 10 October 2022 and remains debited from his account too. So, it has to follow that Many Pets received it.

Furthermore, I think it's necessary to show why, if it was the case the payment hadn't gone through, that its system then permitted it to renew Mr J's policy in 2022 and again in 2023. I haven't received an adequate explanation of that here.

Mr J went to the trouble of going to his bank in September 2024 and getting his bank to produce a letter for each separate year, confirming his bank had been debited by the relevant premium amount and precisely when his bank account was debited too. Many Pets ignored this evidence and simply reiterated he hadn't paid it. I don't consider that's logical or reasonable.

I've now asked Mr J to go to considerable further trouble of getting his bank statements for the three months after each annual premium payment was paid to Many Pets. There is no evidence that the payment of any of the three annual premium amounts came back to Mr J's bank account. In all three years, his account

remains debited by that year's premium amount for three months afterwards which I consider is a reasonable time span for an incorrect payment to bounce back into Mr J's account.

So, if the payment of Mr J's premium for 2022 remains debited from his account, then it should be in Many Pets' bank account. Banking systems are robust enough not to send funds to the wrong account, and indeed in 2022 Many Pets confirmed it had received his payment too. So, if the money didn't return to Mr J's account, then where is it? Many Pets hasn't provided any adequate or actually any evidence at all that it's not sitting somewhere in its own accounting system, possibly wrongly labelled.

Given Many Pets' own initial confusion over the actual year Mr J's premium was supposedly not paid, and given it said initially this was discovered by a system sweep and now it confirms no such system sweep ever occurred, I'm not convinced of the veracity of its position here. I consider this is just possibly a human error within Many Pets somewhere and that Mr J's premium was indeed received cogently on the date his bank account showed he paid it, which is 10 October 2022.

Further it's not appropriate to tell a policyholder who has diligently renewed each year that suddenly it can't find evidence an annual premium payment made two years previously was never received. It needed to have told that to Mr J before it confirmed his policy renewed in 2022. In effect consequently, by renewing Mr J's policy in 2022 and in 2023, in law Many Pets has effectively affirmed the contract and can't now renege on it either. So, it was also very unreasonable of Many Pets to tell him nothing about this at all, simply leaving Mr J to chase his renewal invitation. And given the lifetime nature of the cover, it was very unreasonable and unfair to think it was ever appropriate to cancel this policy in the way that happened here.

This has had a serious effect on Mr J, his dog and his family. I understand he hasn't insured his dog elsewhere either. He does suffer some mental health issues and has told us that he has been so anxious about possible liability issues that he's been frightened to take his dog out for a long walk like he used to do, in case something happened. Thankfully Mr J hasn't told us that his dog needed any veterinary treatment in the time he has been wrongly uninsured.

At Mr J's option only, if he wishes for this policy to be reinstated, Many Pets should arrange to reinstate his policy now on the same terms he had before and very importantly showing no break in cover. This is critical since this policy is a lifetime policy, so any ongoing conditions remain covered for his dog. Mr J will however have to pay the premium. I appreciate that Mr J might feel aggrieved by this point but if he wants his cover under any policy, he has to pay the premium to show the contract is made cogently. And had none of this happened, Mr J would have paid his premium last October. This will mean his present policy will have a renewal date of now instead of October.

As for compensation, I don't consider the amount of £350 compensation as suggested by the investigator and agreed by Many Pets is sufficient. I don't think it takes account the level of stress, anxiety, upset and trouble which has been caused to Mr J by this baffling story that his premium in 2022 wasn't paid, whereas his bank statements shows that it was. I also consider it was very unfair of Many Pets to simply ignore the evidence from his bank clearly showing it was paid.

So, I consider a more appropriate amount is a total of £500 compensation. I think this is fair and reasonable in this most unusual case. Our approach to compensation is

fully detailed on our website. It also must be remembered that I have no power to punish or fine Many Pets for its failures here. So, the compensation is solely commensurate to the extent of the trouble, upset and distress Mr J suffered, which I can see was exceptional and considerable here.

It's not clear if Many Pets ever actually paid Mr J the sum of £200 compensation it offered him previously as it asked for his bank details since it doesn't retain bank details of policyholders who pay annually. So, if it is confirmed and agreed Mr J received this £200 compensation then it should be deducted from this £500.'

Many Pets didn't respond.

Mr J was happy with the provisional decision's outcome, but he felt he should receive further compensation up to £1,000. This is because he said that being effectively without pet insurance for his dog, caused him 11 months of uncertainty both for vet bills if his dog needed treatment and liability wise. His levels of anxiety increased substantially when he took her out for walks. He felt Many Pets' treatment of him and lack of acknowledgement of his evidence from his bank left him feeling powerless and hopeless at times. His sleep suffered as did his mental health given his history of mental ill health issues. He feels the sum of £1,000 would be a greater reflection of the harm caused to him.

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 again, I do remain of the view that the outcome and redress as detailed in my provisional decision remains reasonable. This is not to negate any of the distress and upset that Mr J suffered whatsoever.

However, I can't effectively be seen to be punishing Many Pets for its failings here either as I have no authority to issue what could be seen as punitive damages for Mr J. Further nothing happened that required Mr J to need this policy for the benefit of his dog throughout the time, albeit that Mr J curtailed his activities with his dog. I do utterly understand how worrying this was for Mr J but still nothing happened, thankfully. And so, I can't compensate for hypothetical issues that didn't occur either.

Our stance on compensation is fully detailed on our website. For the amount of £500 Mr J can see we award this when the matter complained of takes several months to sort out as it did for Mr J too. Therefore, although I appreciate Mr J will be disappointed, but I remain of the view that a total of £500 compensation remains commensurate and therefore fair and reasonable in these particular circumstances.

My final decision

So, for these reasons, it's my final decision that I uphold this complaint.

I now require Many Pets Ltd to do the following:

- At Mr J's option only, arrange for the policy to be renewed now, with no break in cover, given this is a lifetime policy, on payment of the premium by Mr J.

Pay Mr J the total sum of £500 compensation for the considerable distress and upset it caused him

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 6 October 2025.

Rona Doyle
Ombudsman