

DRN-5534278



The complaint

Miss M has complained about the way Wakam handled the renewal of her pet policy.

What happened

Miss M had insured her dog and latterly her cat(s) with Wakam. In October 2022, she believed her renewal premium was too expensive. So, she contacted Wakam to discuss it. The adviser said the premium could be reduced if she paid a 20% co-payment on any vet fees charged. Miss M decided to leave her premium the way it was instead.

Later, Miss M phoned Wakam to make changes to her policy to include putting her cat(s) on cover. At this time, she was told the 20% co-payment had been added to her policy. This had been applied by Wakam without telling Miss M or getting her authority to do so.

So, Miss M complained to Wakam. It said this had all been a mistake by the adviser she talked to in October 2022. That adviser didn't turn off the 20% co-payment reduction which meant when Miss M renewed her policy in 2023, her policy now had this 20% co-payment which in turn reduced her premium for 2023.

Wakam said it could remove the 20% co-payment, and it wouldn't charge her for the discounted premium she had received. Miss M didn't think this offer was good enough. Plus, she wasn't offered any compensation. So, she brought her complaint to us. At that time, Miss M said she wanted the 20% co-payment removed and she didn't want to pay any increased premium. Plus, she thought she should get some compensation. Also, by this time her dog's health had deteriorated and now she had claimed vet fees which were consequently subjected to the 20% co-payment by Miss M. Miss M didn't want to be liable for these co-payments either.

During the course of the investigation Wakam also paid Miss M £150 compensation.

Ultimately the investigator didn't think Miss M's complaint should be upheld. She thought Wakam's original resolution offered to Miss M was fair and reasonable. She also thought it was now fair Wakam had paid Miss M £150 compensation too. Even though Miss M had to pay the co-payment for the vet fees she claimed for treating her dog, as the investigator could see Wakam had given Miss M the opportunity to remove the co-payment issue from June 2024, Miss M didn't do this, so there was nothing wrong in Wakam then charging Miss M the co-payment.

Wakam didn't respond to the investigator's view. Miss M then acknowledged what Wakam had offered her originally was a good resolution. But she thought that the 20% co-payment had been applied from 2022 and not 2023. So, in effect she had misunderstood Wakam's offer. Miss M felt this was Wakam's fault in not being clear enough at the time or indeed noting her misunderstanding. She also didn't understand the final response letter. She didn't know that she could have accepted the resolution as well as refer her complaint to this service.

So, she wanted to know if Wakam would agree to remove the co-payment from the 2023 renewal if she paid the extra £500 in premium. This would then mean her claims made in 2024 would be paid in full without any co-payment from her. The investigator asked Wakam this, but it didn't respond.

So, on this basis of the original miscommunication Miss M wanted an ombudsman's decision. So, her complaint has now 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 consider that Wakam has done enough to sort out Miss M's complaint. I'll now explain why.

First, I just want to say that I'm so sorry for the loss of Miss M's dog which occurred during the time this complaint was waiting to come to me.

It's certainly clear that from the start, Wakam's adviser made a mistake in October 2022 when Miss M first phoned up about the extent of the renewal premium. The adviser never reverted Miss M's policy back to the way it should have been, namely without any indication that she wanted to pay a co-payment of 20% on any vet fees she claimed under the policy. So, the 20% co-payment was put on her policy from the 2023 policy renewal.

However, Wakam clearly acknowledged this in its final response letter to Miss M in June 2024. This letter also explained the co-payment wasn't applied until 2023, namely November 2023. I understand Miss M didn't appreciate this at the time, but the final response letter is clear on this. However, Miss M's response back to Wakam showed she didn't understand the issue, so I do agree some further clarification at that time from Wakam would have been useful.

The final response letter is written in accordance with the rules of what a final response letter should contain. Miss M said she was unaware that she could accept the offer made in the final response letter but still refer the matter to this service. However, if she had accepted one of the resolutions suggested to Miss M by Wakam, there would have been no reason to bring any complaint to this service, unless there was a part of it that she wasn't happy with, or, if she thought she should have some compensation. Otherwise, I'm not sure what else Wakam could have done here at that stage, it explained from when the co-payment was applied, and it gave her two options to decide between both of which effectively put her back in the situation she should have been in.

I consider both of these options put to Miss M in the final response letter were a cogent attempt to put Miss M back into the situation she should have been in had the adviser done things properly in 2022. And along with Wakam's apology then, I don't consider it should have done anything more, save for possible compensation. Whether or not such things might happen to other policyholders is not something I can consider in this complaint as I can only consider what happened to Miss M at this time and not some other possible hypothetical situations.

However, as Miss M did bring her complaint to this service, Wakam decided to pay Miss M £150 compensation which it paid directly into her bank account without waiting for Miss M to accept it. I consider this compensation amount fair and reasonable as it's in line with our stance on compensation which is more fully detailed on our website. And I also think it would have helped if Wakam had decided to offer compensation in its final response letter too.

Wakam never responded to Miss M's wish that it should consider removing the co-payment from the 2023 renewal if she repaid the consequent premium reduction of £500. That in turn would mean that Wakam should repay any co-payments Miss M might have paid. I actually don't consider it needed to respond to this, as insurers tend not to be able to rewrite policy years, which have already passed. It certainly wouldn't have been something I would have asked it to do here either, given the options it clearly gave Miss M in the final response letter.

Effectively the premium is set for the size of the risk presented. So, if there is to be a co-payment made by the policyholder that would reduce the premium to be paid by the policyholder. And obviously if there is no co-payment being made that would increase the

premium price. Risk factors such as the cost of vet fees, the provision of further vet advances in care, plus the tax payable change frequently so it's not always possible to re-rate a policy year that's already past successfully or fairly. So, I don't consider Miss M's proposal was that equitable here.

My final decision

So, for all these reasons, it's my final decision that I don't uphold this complaint save for the fact it has now done enough to ensure Miss M was put back in the correct position she should have been in, to include its subsequent payment of compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 24 June 2025.

Rona Doyle
Ombudsman