DRN-5549189

The complaint

Mr B and Miss A are unhappy with the renewal price offered by Pinnacle Insurance Limited ('Pinnacle') for a 'lifetime' pet insurance policy.

What happened

The background to this complaint is well known to Mr B, Miss A and Pinnacle. Rather than repeat in detail what's already known to both parties, in my decision I'll focus mainly on giving the reasons for reaching the outcome that I have.

Mr B and Miss A had a lifetime pet insurance policy for several years. When they received their renewal invite in September 2024, they were unhappy that the price offered had more than doubled. It had increased from £498.72 to £1,060.56. Mr B and Miss A complained to Pinnacle, but they didn't uphold the complaint. Mr B and Miss A referred their complaint to our Service for an independent review. Our Investigator considered the complaint but didn't recommend that it be upheld. As the dispute remains unresolved, the complaint has been referred to me for a final 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

The scope of my decision

Our Service are not the insurance industry regulator. That is the role of the Financial Conduct Authority. I will be considering if Pinnacle have treated Mr B and Miss A fairly and similar to how any other customer in a similar position would've been treated at renewal.

I can't tell an insurer what risks they should underwrite, how they evaluate those risks, for whom they should offer insurance or how much they can charge a particular customer. Instead, our Service broadly look at whether we think an insurer have acted fairly and reasonably in the way they've set the customer's premium, and whether they've communicated the price to them in a way that is clear, fair and not misleading.

More details on the approach I'll be following can be found here: https://www.financial-ombudsman.org.uk/consumers/complaints-can-help/insurance/insurance-pricing-and-renewals

This policy was migrated to Pinnacle from 2020. This means Pinnacle aren't responsible for the sale of the policy or what information Mr B and Miss A were given at that point (policy inception) about likely future increases. I've also noted that Mr B and Miss A haven't specifically made this complaint point.

Finally, Mr B and Miss A would need to first raise a complaint with Pinnacle about the support/service offered when they said the price increase was unaffordable before our Service could consider that complaint point.

My key findings

It's not uncommon for the type of policy taken out here to get more expensive over time. This is because this type of policy (lifetime benefit) tends to offer a more comprehensive benefit than other types of pet insurance policies. I'm satisfied Pinnacle made this clear to Mr B and Miss A from the point (2020) they assumed responsibility as the underwriter.

An insurer will calculate a price for a policy based on the risk presented. This risk as viewed by an insurer can change year on year, so it's not unusual or uncommon at all for prices to increase – even though a customer may think their personal circumstances as well as the details relating to their pet have remained the same.

This is for several reasons, but primarily, the older a pet gets - the more likely it is a claim will be made. I acknowledge that Mr B and Miss A have told us that nothing had changed over the past few years of the policy and they'd claimed for the same conditions and same treatments each time. They've also said their cat was in good health given her age (15) and only required the *'odd bit of pain medication along with her hydrotherapy'*. But I've also noted that a total of over £2,300 has been paid in claims over the preceding three policy years.

Pinnacle have provided our Service with a detailed answer and evidence to explain the price rise specific to Mr B and Miss A's policy. Unfortunately, as this information is commercially sensitive, we are unable to share it with Mr B and Miss A. But I can assure them that I have carefully considered the evidence and I'm satisfied Pinnacle have calculated the premium increase fairly and consistently. I can also share that the true 'risk' cost is greater than what Mr B and Miss A were offered at renewal, but Pinnacle made a business decision to cap what was charged. I consider this to be positive.

Summary

I acknowledge the price rise for 2024/2025 will have come as a surprise for Mr B and Miss A – relative to the previous price rises. But overall, I'm satisfied that Pinnacle have been able to demonstrate to our Service that they've treated Mr B and Miss A fairly and consistently when calculating the renewal price.

My decision will disappoint Mr B and Miss A, but it ends our Services' involvement in trying to informally resolve their dispute with Pinnacle.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Miss A to accept or reject my decision before 29 August 2025.

Daniel O'Shea
Ombudsman