DRN-5570991

The complaint

Mr W complains that ManyPets Ltd mis-sold his pet insurance policy.

What happened

In February 2021, Mr W took out a lifetime pet insurance policy via ManyPets for his dog. He says he was advised by ManyPets that individual claims wouldn't affect his insurance premiums. Later that policy year, Mr W added a second dog to the policy.

During 2022, the underwriter changed. In 2025, Mr W complained to ManyPets about the increase to his premiums. He learnt that the new underwriter had been taking into account individual claims (number of claims and the value) when calculating his renewal premiums. Mr W thought ManyPets had misled him about this when he took out the policy.

ManyPets issued its final response on the complaint. It acknowledged that when Mr W took out his policy, it had explained that individual claims wouldn't affect his premiums. But it said this approach had been revised. ManyPets apologised for the shock this had caused and paid him £100 compensation. Unhappy with this response, Mr W brought a complaint to this service.

Our investigator recommended the complaint be upheld. She said ManyPets didn't have any control over how the underwriter decided to calculate renewal premiums, but she said that ManyPets had sold Mr W the policy based on a factor it couldn't control in the future. She recommended that ManyPets increase its offer of compensation to £200.

ManyPets accepted our investigator's recommendation, but Mr W didn't. The matter has therefore been passed to me for 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.

When Mr W took out the policy, the underwriter didn't take individual claims into account when calculating premiums. ManyPets no longer has the call recording from 2021 when the policy was sold. Though it's not in dispute this is what Mr W was told.

I appreciate this information was correct at the time. Though as Mr W was taking out a lifetime policy, I think ManyPets ought to have put him on notice that the underwriter's approach to this might change. Particularly since individual claims do usually affect renewal premiums for lifetime policies on the market.

Mr W therefore took out the policy on the understanding that claims could be made for his pets without this affecting his renewal premiums. If he had known that may not always be the case, he could have made an informed choice about whether to take out the policy. So, I don't think Mr W was given clear information about the policy.

Where a business does something wrong, the aim of this service is to place the consumer back in the position they would have been, if not for the error (as far as possible). I've therefore thought about what Mr W would have done, if ManyPets *had* given him clearer information, and made him aware that whilst individual claims didn't affect premiums at the time, this could change in the future.

Having done so, I think it's likely that Mr W would have still taken out the policy. I say that because the policy met his needs by providing lifetime cover for his dog (and he added a second dog after the cover had started), and he has made use of the policy with claims paid. Therefore, whilst I've found that ManyPets ought to have been clearer about what might happen in the future, I don't think Mr W has experienced a financial loss as a result.

Mr W was upset to find out the underwriter had been taking into account his individual claims when calculating his renewal premiums since 2022. So, I think it's appropriate for ManyPets to pay compensation to recognise the impact caused to Mr W. Our investigator thought £200 compensation was a reasonable figure and I would agree. I think this fairly reflects the upset and confusion that Mr W experienced due to ManyPets' failure to give him clear information.

My final decision

My final decision is that I uphold this complaint. I require ManyPets Ltd to pay Mr W a further £100 compensation (in addition to the £100 already paid)*.

*ManyPets must pay the compensation within 28 days of the date on which we tell it Mr W accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 17 September 2025.

Chantelle Hurn-Ryan
Ombudsman