

DRN-5583977



The complaint

Ms S complained that Wakam unreasonably and unfairly increased her premium for her pet policy.

What happened

Ms S took out her lifetime pet policy for her dog in September 2021, which was sold to her by an intermediary who administers the policy on behalf of the underwriter. Ms S said she chose this policy as it came highly rated, and it promised 'you will never pay more than a new customer when you renew.'

At that time, a different underwriter was dealing with the policy coverage which is dealt with by a separate complaint with which I am also dealing.

Ms S said that at her first renewal in August 2021 her premium amount to be paid in monthly instalments decreased from £22.40 per month to £20.70 per month.

Ms S said that in March 2022, she received an email from the intermediary saying it was changing its name. Crucially Ms S said the email said, 'we're still the same company and you'll still have the same great insurance cover.' Ms S said this turned out to be untrue.

In June 2022 she adopted a second dog and added her to the policy. The monthly premium instalment increased from £20.70 to £35.16 which she thought was reasonable.

However, in August 2022 in her renewal invitation the monthly premium instalment increased by 44% from £35.16 per month to £50.74. On renewal in August 2023, it increased by 34% from £50.74 to £68.17. And this time she was told that the increase in premium was due to making claims. Ms S said this meant she was now paying more than any new customer would for the same dogs. In August 2024, the premium rose from £68.17 to £103.18.

Wakam became the underwriter in January 2023. So, it wasn't involved with the intermediary's change of name in 2022 or indeed the issue which the intermediary said in 2021 of 'you will never pay more than a new customer when you renew' but would have been responsible for the renewal premium for August 2023 and August 2024.

Ms S complained. Ms S received a final response letter from the intermediary on 10 April 2024 which must be a typing error as the letter talks of the renewal in August 2024 and subsequently the complaint raised in September 2024 by Ms S. It explained that it had taken note of its customers' feedback. It said this feedback said customers weren't happy to be paying for other people's claims when they might not have made any claim themselves. So, this along with other commercially sensitive issues meant they made changes to their approach to include considering claims as an individual rating factor when setting the premium for the relevant customer. Therefore, claims as a rating factor was implemented in July 2022.

Ms S then brought her complaint to us.

The investigator asked Wakam to produce its file and its reasonings for the premium amount charged on renewal in 2023 and 2024 so that we could assess if Ms S was treated fairly and in line with its underwriting criteria.

Sadly, Wakam never responded to the investigator's requests for this information. On that basis the investigator couldn't assess if Ms S' premium since Wakam's involvement was fair. So, he recommended Wakam pay Ms S compensation of £400.

Ms S didn't agree, and she felt Wakam were responsible for the original promise the intermediary made when she first took out her policy in 2021 and it should honour that promise. She said it remained that she was paying over £550 more per year in premium than any new customer might pay which directly broke the promise she was given when she

bought the policy originally.

So, on that basis Ms S' complaint 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'm only upholding this complaint for compensation as the investigator suggested. I appreciate Ms S will be very disappointed, but I'll now explain why.

Wakam as an underwriter has been involved only since January 2023. So, I can't hold it responsible for anything that happened before that as it simply wasn't at risk so under the regulations set by the Financial Conduct Authority (FCA), I can't hold it responsible for matters which happened prior to its involvement.

By the time of its involvement the intermediary and the previous underwriter had decided to rate claims for the purposes of the premium which Ms S has also complained about and which will be dealt with separately. Wakam isn't responsible for that change.

Further I've got no authority to tell any insurer how much premium it charges its customer like Ms S here. That is a matter for the regulations under which Wakam operates and ultimately the FCA. It's not my role however to tell Wakam what to charge a customer. However, insurers have to show that they treat their customers fairly when setting the premium. They do this by having an underwriting guide which shows the risk attached to all the situations it's willing to insure. This in turn means that customers in similar circumstances will be treated the same, so not singled out and treated differently to another customer in similar circumstances. This information is commercially sensitive so it's not available to the public at large.

However, the investigator asked Wakam to show us how it rated Ms S' premium as against its underwriting guide so that we could be sure the premium was calculated fairly. Wakam never responded to the investigator's request. So as a result, he couldn't assess this and neither can I.

So consequently, as Wakam didn't provide its file, I am upholding Ms S' complaint but only for compensation, as I can't assess if it treated Ms W fairly. This is solely for the shock of the increase on premium as causing distress and upset and indeed for the upset it's caused in not producing its file to us. It's not to recompense Ms S for the further amounts she has to pay. I understand and appreciate that Ms S can't find any comparable insurance elsewhere given issues of pre-existing conditions which wouldn't be covered by any new insurer. The investigator suggested £400 compensation. I consider this is in line with our stated approach on compensation, which is more fully detailed on our website, so I consider it's fair.

My final decision

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

I now require Wakam to pay Ms S the sum of £400 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 10 July 2025.

Rona Doyle
Ombudsman