

The complaint

Mr H is unhappy that Wakam sharply increased his pet insurance premiums.

What happened

In 2020, Mr H took out a lifetime pet insurance policy for his dogs. He renewed it each year. In 2023 his monthly premium had risen from around £60 to around £110. Mr H adjusted his cover and renewed for around £85 per month. The following year, Mr H found his monthly premium had nearly doubled again, to around £165. He felt this was unfair and complained.

Wakam explained it considers various factors when setting premiums, including rising vet costs, Mr H's dogs' age and breed, and his past claims. Wakam thought the price was fair.

Mr H referred the matter to our Service. He was unhappy with the increases and said he'd been led to believe his claims wouldn't affect his premiums. He said he couldn't renew in 2024 because of the high price, and he's struggled to find cover elsewhere.

Wakam showed us how it calculated Mr H's premiums. The firm that sold the policy also confirmed, at the time of sale, Mr H had been told that individual claims wouldn't affect his premiums, but this changed in 2022. The firm offered Mr H compensation to apologise.

We split the complaint into two: one about the selling firm and one about Wakam's pricing.

Our investigator looked into the complaint about Wakam. She thought Wakam had priced Mr H's renewals fairly and that he'd been treated the same as other customers in the same situation. Mr H didn't agree. He remained unhappy with the increases and didn't think it was fair for a lifetime policy to change part way through.

As Mr H didn't agree with our investigator's view, the complaint has come 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.

My decision concerns Wakam, the insurer who set the price of Mr H's renewals in 2023 and 2024. Mr H's complaint about what he was told at the point of sale is being dealt with separately. Wakam isn't responsible for this and wasn't involved at the time.

I first want to recognise how strongly Mr H feels about what's happened. Cancelling his policy must have been a very painful decision. I appreciate why Mr H is worried about his dogs and the cost of future treatment. I want to reassure Mr H I've taken this into account.

I should explain that insurers are entitled to decide how much to charge for the cover they provide. It's up to them how much they increase their premiums and this can vary from year to year. I don't have the power to tell an insurer how much it should charge. I would in effect

be telling a business how it should operate – and that’s not my role. But I can consider whether a customer has been treated fairly.

The starting point for this is that an insurer should treat all customers with the same pricing factors in the same way. Wakam has provided data showing how it calculated Mr H’s premiums. This shows Wakam considered several factors, including general things like the rising cost of vet fees, as well as specific things for Mr H, like his postcode, the age and breed of his dogs, and the past claims he’s made.

I can’t disclose this data because it’s commercially sensitive, but I’m satisfied the increases reflect Wakam’s usual rating factors. In Mr H’s case, the age of his dogs and his past claims were the main factors behind the increases. These are things that will often cause premiums to go up because of the increase in risk. I can see Wakam mentioned these factors in its response to Mr H’s complaint.

I appreciate the increases were significant. I understand why Mr H thinks they’re unfair. But I’m satisfied another customer with the same circumstances as Mr H would have been treated the same way. I’ve seen no evidence that Mr H has been singled out. So, I can’t conclude that Wakam has treated Mr H unfairly.

I understand Mr H didn’t expect his claims to affect his premiums. But Wakam is free to choose what factors it sees as relevant when pricing its insurance policies. It also isn’t unfair for Wakam to change the way it sees certain factors, even for a lifetime policy. A policy like this means the insurer agrees to cover ongoing conditions year after year. It doesn’t mean the pricing structure will stay the same indefinitely. Wakam is entitled to review and update its pricing model over time, as long as any changes are applied fairly and consistently. I’m satisfied they have been here.

I’m sorry to bring Mr H disappointing news, but I’m satisfied Wakam has priced Mr H’s policy correctly and fairly, and I haven’t found reason to uphold his complaint. So, I don’t require Wakam to do anything further in respect of this complaint.

My final decision

For the reasons set out above, I don’t uphold Mr H’s complaint about Wakam.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr H to accept or reject my decision before 11 July 2025.

Chris Woolaway
Ombudsman