

The complaint

Miss F has complained that Red Sands Insurance Company (Europe) Limited unreasonably increased her pet policy premium for her renewal in February 2025.

What happened

Miss F took out a lifetime pet policy for her cat in February 2014 with Red Sands. In the renewal invite for February 2025 her annual premium for her cat rose from £973.92 to £2,088.84.

Miss F said this was a shocking increase and complained, saying that Red Sands was discriminating against older pets. Red Sands didn't uphold her complaint. It said it explained in the policy document that premium levels will be reviewed each policy year, which also takes into account claims, the pet's age, where you live and the cost of vet fees in your area, plus the risk of recurring conditions. It said it couldn't provide Miss F with the detailed breakdown as she requested, as that information is commercially sensitive.

Miss F remained dissatisfied, so she brought her complaint to us. The investigator didn't think it should be upheld as the premium increase was in line with the underwriting guide so there was no evidence that Miss F had been singled out and treated unfairly.

Miss F then asked for an ombudsman's decision and her complaint was 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 not upholding this complaint. I fully understand and appreciate that Miss F will remain very disappointed, so I'll now explain why.

I've also seen that Miss F brought a previous complaint to this service where that investigator said initially at the time Miss F bought her policy in 2014, Red Sands or its agents who sold the policy didn't do enough to explain how lifetime premiums can increase over time. She accepted £200 compensation for this lack of explanation at that time. Obviously in this complaint, I will only concern myself with the premium increase Red Sands decided for the February 2025 renewal. However, I note that given this previous complaint Miss F was made aware that premiums for lifetime pet policies can rise substantially as the pet ages.

Insurers are entitled by the regulations and indeed the Financial Conduct Authority to decide what risks they want to cover and what risks they don't want to cover. They are also entitled to rate those risks which in turn gives the premium price, provided they don't single out any consumer or policyholder and treat them differently. As every pet ages the risk of becoming

ill and requiring vet treatment also increases. There is nothing unusual about that as humans require more medical treatment as they age also. So, it's clear from an insurer perspective the risk certainly increases as a pet ages. Increasingly also, as vet science continues to develop, vet prices and costs for varying investigations and treatments has increased substantially too.

Given insurers are entitled to rate such risks, they produce internal documents called underwriting guides, to ensure people with the same risks are treated the same.

These underwriting guides are commercially sensitive information, so there was nothing wrong in Red Sands explaining to Miss F that it couldn't share it with her. They have shared it with this service, and we can't disclose it to Miss F either. But I can assure Miss F she has not been singled out or treated any differently to anyone else in a similar situation, as she is with an older cat with some ongoing chronic conditions, as I can see her cat (like many other elderly cats do) suffers from some thyroid issues.

This service including me cannot tell any insurer what price it should ask any consumer to pay as the premium. I simply have no authority to do so. Once I've ascertained that the underwriting guide was used appropriately to produce Miss F's renewal premium there is nothing further I can investigate as consequently therefore Red Sands has done nothing wrong.

Sadly, I consider Miss F would be facing a similar premium increase as her pet ages with any other lifetime pet insurer also, as it's simply a fact the risk changes as the pet gets older. If Miss F had no pet insurance likewise her vet costs would be increasing also as her pet ages.

As there is no legal requirement for pet owners to have pet insurance (albeit that it is a sensible thing to do), there is no question that Red Sands or indeed any other insurer are discriminating against older pets. The fact remains that older pets are simply more at risk at requiring vet care or treatment so as the pet ages the risk increases. Therefore, with claims made in the previous year plus a history of suffering from a chronic condition, actuarially in insurance terms, the risk simply increases.

Therefore, I don't consider Red Sands has done anything wrong here.

My final decision

So, whilst I do understand Miss F's strength of feeling on the matter, for these reasons, it's my final decision that I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 12 November 2025.

Rona Doyle
Ombudsman