

The complaint

Miss C has complained that the renewal premium for her lifetime pet policy increased substantially which then made it unaffordable.

What happened

In October 2014, Miss C first took out her lifetime pet policy with Only Pets for her puppy. The renewal invite sent by Only Pets in September 2024 said her premium was going to increase from £532.82 per year to £1,834.28 per year. On talking with an Only Pets adviser, the renewal premium was reduced to £1,222.85 per year.

Miss C remained unhappy and complained. Only Pets didn't uphold her complaint. So, Miss C brought her complaint to us.

The investigator split her complaint into two complaints, one against the underwriter who actually set the premium amount on renewal, and this one against Only Pets as the seller of the policy initially to Miss C back in 2014. I will only be commenting on this complaint against Only Pets.

The investigator was of the view that when Miss C first bought her lifetime policy Only Pets didn't explain as well as it could have done how premiums for lifetime pet policies can increase so substantially over time and more so as the pet ages. He was of the view that the shock and upset caused by the surprise of the substantial increase warranted compensation. So, he thought Only Pets should pay Miss C the sum of £200 compensation. Miss C agreed but Only Pets didn't.

Therefore, Miss C'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 upholding this complaint along the same lines as the investigator. I'll now explain why.

Our approach to these types of complaints is published on our website, so it shouldn't come as any surprise to Only Pets. I am only concentrating on what Miss C was told when she was deciding to buy this policy in 2014. The reason for this is that as she bought a lifetime policy for her puppy, she is effectively locked into renewing her policy if she wants to continue to benefit from the full cover provided by the lifetime policy, year on year for the lifetime of her dog. As of course if she changed providers, she runs the risk of the contents of her dog's vet history and claims history throwing up pre-existing conditions, which invariably won't be covered by another provider, since the pet insurance market doesn't like

to cover pre-existing conditions of any pet and only some providers will do so on a very limited basis.

Because lifetime pet policies are more comprehensive and will cover recurring chronic conditions year on year provided the policy is renewed, they are obviously usually more expensive. And I consider that is generally understood by consumers. The policy terms supplied by Only Pets does say this in the policy document, as it says the following:

'Each year, **we** reserve the right to amend the premium, **excess** and/or **policy** benefits, terms and conditions or not offer renewal. In doing this **we** will take into account the information we have about **your policy, your pet's** medical history, claims made and expected future **treatment** and claims costs. In general, premiums increase with the age of **your pet** and if claims have been made.'

Insurers are duty bound (and were likewise duty bound in 2014) to ensure any consumer has enough information to make an informed decision on whether any policy meets their needs so they could make an informed choice. It remains these types of lifetime policies are annually renewable, and the underwriters remain entitled to make changes to the premium as the risk changes given any possible claims and of course as the pet ages along with other issues occurring. It remains, more importantly, that they are classed as being sold on a non-advised basis which then puts the onus on the seller – Only Pets here – to ensure the consumers had enough information at the time of buying the policy to make a cogent informed decision too.

As Only Pets has already said, in 2014 they didn't warn of the fact that the premium change on renewal would at least be 'significant'. It didn't do that until 2020 some six years after Miss C had already bought her lifetime policy for her dog and had renewed it each year since. By then Miss C's ability to change providers might already have been compromised depending on what her dog's vet and claims history said by this stage. I consider consequently that this lack of warning in 2014 of the very real potential and possibility that as your pet ages, premiums might increase 'significantly' didn't provide Miss C with the right level of information to make a fully informed choice.

That in turn means the extent of the increase that Miss C's premium rose by, which was initially £1,301.46 lowered to an increase of £690.03 was pretty shocking. And I don't think the level of that shock of such a premium increase could be disputed. Had Miss C known this level of potential increase might be this significant back in 2014, what would she have decided. There's no way of knowing that, but as she chose a lifetime policy it's more likely she would have chosen one anyway, which would have put her in much the same position she is now whatever provider she chose.

But because of the lack of warning of the 'significant level' of the premium increase, I consider Miss C suffered disbelief, upset, worry and also significant inconvenience, seen by the fact she pursued the matter to this service to resolve the matter on her behalf too.

Consequently, I consider it's reasonable that Only Pet's compensates Miss C for this shock of such a large premium increase. I can't tell any insurer or indeed any seller or administrator of any insurance what premium it should charge to cover any risk as I've no authority to do that. But I can authorise the payment of compensation when a lack of warning then caused a distressing situation for the consumer, as it did for Miss C here. I consider the sum of £200 compensation as suggested by the investigator to be fair and reasonable in these circumstances. This is also in line with our approach to compensation for these matters as also much more fully detailed on our website too.

My final decision

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

I now require Only Pets Cover Limited to pay Miss C the sum of £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 14 November 2025.

Rona Doyle
Ombudsman