

DRN-5604733



### **The complaint**

Miss L complained when she received the premium increase for her pet policy sold by Many Pets Limited. She was told previously that her premium wouldn't be increased by any claims she had made and now it had increased for this very reason.

## **What happened**

Miss L bought a 'complete' level policy from Many Pets in 2020. It renews every year and provides £15,000 cover for vet fees and other matters which resets to £15,000 each policy renewal.

Her premium rose from £1,240.81 per year to £2,697.48 in 2024. In an effort to reduce the premium amount she added a 20% co-payment so the premium she had to pay was then reduced to £2,063.57.

Miss L said that when she first took out her policy in 2020, she was told her premiums wouldn't be affected by any claims she made, but now it appears the premium is affected by any claims made. So, Miss L complained to Many Pets.

Many Pets initially said in its final response letter that pet insurance increases every year no matter which provider is insuring. Vet costs are a big reason for increases and the pet's risk will change each year as well as it ages. It didn't feel its price increase was unreasonable.

However, on review once Miss L had brought her complaint to us, it said the final response letter was issued before it changed its approach to these types of complaints. It now recognised that for policies which started before July 2022 as Miss L's did, it didn't do enough to make its customers aware that their claims history would impact the renewal premium as those claims were then factored into the renewal premium from July 2022. So, it said it now compensated its customers in line with its own internal matrix.

So, it sent Miss L a further letter. This stated that it maintained its premium amount was fairly calculated, but it would compensate her for the shock of the premium rise due to taking claims into account. Normally that would be £200 compensation but here it was going to pay Miss L £250 compensation. It further explained that the reason it began taking the claims history into account was that other customers didn't feel comfortable about effectively paying for other people's claims when they hadn't made any claims themselves.

Miss L remained dissatisfied so asked the investigator to investigate her complaint. The investigator was of the view that this compensation payment was fair and reasonable and in line with our approach. And that he would set up another complaint against the underwriter who was responsible for setting the premium amounts.

Miss L remained unhappy as she felt this was a breach of contract and mis-selling issue. However, the investigator noted Miss L hadn't complained initially about any mis-sale which would need to be answered by Many Pets first before this service could be involved, which Many Pets was now doing.

Therefore, on the basis that Miss L didn't agree with the investigator's view, the matter 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.

First, the only issue I can consider in this decision is the renewal premium Miss L received in 2024 which she wasn't expecting to be this high, and whether Many Pets had done anything wrong as regards informing Miss L of this change in 2022. The allegations of mis-selling are

being dealt with separately by Many Pets and Miss L has complained to the underwriter also separately, concerning the setting of this premium this high too.

I'm not upholding this complaint for broadly the same reasons as the investigator. I do appreciate Miss L will be disappointed, so I'll now explain why.

I consider that Many Pets' changes of stance in 2022, that claims made would now impact renewal premiums as increasing them, wasn't as well handled and communicated as it could have been. This is fully acknowledged by Many Pets.

When Miss L bought her policy in 2020, one of the selling points was that claims would not impact the renewal premium price. However, it decided to review that in 2022 as it said other customers who hadn't made any claims were concerned, they were in effect paying claims for those customers who did have to claim. This is an understandable dilemma Many Pets found itself in, to a degree also.

Insurers are entitled to decide what risks they want to insure and what risks they don't. And they're entitled to rate those risks as they wish to. And premiums across all insurance have risen substantially recently too. For pet insurers the rise in the cost of vet fees and vet treatments has had an added effect in increasing the premium also. Plus, as the pet ages, the risk of needing vet treatment increases too. So, pet insurance premiums can and do rise year on year and there is no limit as to how high premiums might rise either.

So, as Many Pets acknowledged it could have better handled how it informed its customers in 2022 of its change of stance, it's then reasonable that it pays compensation for the shock and the upset of the consequent premium increase to customers like Miss L. I consider the amount Many Pets offered or paid to Miss L of £250 to be fair here, as it's in line with our stance on compensation, which is more fully detailed on our website. This is compensation for the upset suffered only in receiving the increased premium, it's not meant to cover the extent of the increase either.

Therefore, I consider that although Many Pets didn't communicate as well as it could have done in 2022, I consider it's now done enough in compensating Miss L for its failures in communication and the shock of receiving the extent of the increased premium. The other matters Miss L has also raised will be dealt with separately, as I indicated above.

### **My final decision**

So, 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 L to accept or reject my decision before 3 July 2025.

Rona Doyle  
**Ombudsman**