

## **The complaint**

Miss C's complaint is about the cancellation of her pet insurance policy by Wakam.

Miss C says Wakam treated her unfairly.

## **What happened**

Miss C took out pet insurance with Wakam in 2020 and renewed her policy each year.

In January 2025 Miss C discovered her direct debit had been cancelled. She contacted Wakam to find out why. Wakam told her the policy had been cancelled following a missed payment and that an email had been sent to her about this.

Miss C says she didn't receive any emails from Wakam and that a direct debit had been taken by them for the month they said a payment was missed anyway. Miss C feels that Wakam have treated her unfairly by cancelling her policy in the way that they did, particularly as her pet has ongoing health issues for which she required ongoing cover.

Wakam say they emailed Miss C on 15 June 2024 to advise her that there was an issue taking payment and they needed her to call them within 14 days otherwise the policy would be cancelled. Wakam then cancelled the policy and say they advised Miss C of this on 30 June by email.

Our investigator considered Miss C's complaint and concluded it should be upheld. Wakam do not agree so the matter has been passed to me to determine.

## **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 uphold Miss C's complaint. This is why.

The starting point is the policy terms. When Miss C took out the policy in 2020, the terms set out the following:

### **"Cancellation by us**

**If you miss a payment**

If you miss a payment for your policy we will email you to let you know and try to call you. If we can contact you, we will ask that you pay off all missed payments to keep your policy going. If you make a claim, we will need you to pay the missed payments before we can pay out. If we cannot contact you after 14 days, we will stop your cover and you will not be able to make claims. We will notify you by email and SMS that we have done this. If you pay the outstanding balance within another 10 days, then we will re-activate your cover as if no payments had been missed. If you miss 3 payments in one year, we might ask you to pay the rest of the year's premiums up front to continue the cover. If we have been unable to take payment after 24 days then your policy will be cancelled."

Wakam says that in 2022 their policy terms changed in respect of the above which Miss C was notified of. These new terms removed the reference to Wakam calling a policyholder and instead said:

*“Cancellation by us*

*If you miss a payment*

*You need to keep up to date with your payments to keep your policy active. If you miss a payment we'll let you know by email and explain what you need to do and by when to keep your policy active. We'll keep trying to take payment and if we're not able to after 3 weeks we will cancel your policy. If you need to make a claim we'll ask you for any outstanding policy payments before we can make a claims payment. If you miss 3 payments in one year, we might ask you to pay the rest of the year's premiums up front to continue the cover. If you are having trouble making your payments, please contact us as soon as you can. We can talk to you about options and reduce the risk of your policy being cancelled for non-payment.”*

Miss C says she didn't receive any emails from Wakam and that she did not cancel her direct debit with her Bank either. On the other hand, Wakam say they had notification that Miss C's direct debit had been cancelled, following which they immediately notified her that her payment had failed and invited her to contact them within 14 days. The payment that Wakam are referring to was due to come out on 15 June 2025. I appreciate that Wakam say they emailed Miss C, but given Miss C is confident that she didn't receive any emails from them, and this was a case of a payment appearing to be missed (a further payment came out of Miss C's account on 17 June), I think it was reasonable for Wakam in this case to follow up their email by telephone or at least SMS. I understand that this is not in line with their current internal processes and they don't intend to change them. But in this case the terms Miss C had been provided with were the same for over two of the three years she held cover with Wakam on the question of cancellation in that they set out that a phone call and SMS would be sent in respect of missed payments and cancellation. And looking at the summary of changes document, I'm not confident that the change to those terms would have necessarily been clear to Miss C. I say so because they don't explain what the specific changes are in relation to Wakam no longer calling customers as was previously the case nor indeed stopping the sending of an SMS to notify policyholders of cancellation. Rather they say:

*“We've updated the cancellation section to explain what happens when you miss a payment”.*

So, unless Miss C consulted that specific section of the policy in the terms she was provided with, she wouldn't have been aware of the changes. Taking everything into account, including that a payment did in fact follow, when it appeared to be cancelled, I don't think it was fair for Wakam to cancel Miss C's policy in the specific circumstances of this case, without making a reasonable effort to follow up either by telephone or SMS. For those reasons I uphold Miss C's complaint and direct Wakam to put things right in the way I've set out below.

## **Putting things right**

Wakam should:

- Reinstate Miss C's pet insurance policy subject to her paying the corresponding policy premiums.
- Remove any cancellation markers applicable to the cancellation of the policy that might impact Miss C.
- If there are any retrospective claims Miss C would have made from the time the policy was cancelled, Wakam should consider them under the policy terms. If any payments are made to Miss C in respect of this, Wakam should pay interest at 8% per year simple from the date Miss C paid any veterinary fees in respect of those claims, until she is reimbursed.
- Pay Miss C £150 for the trouble and upset the cancellation of her policy caused her, particularly because her pet had ongoing conditions for which she expected to be covered, which would have been upsetting.

If Wakam added travel cover to the policy and this was cancelled too, this should be reinstated in the same way as the pet insurance policy and any potential claims should also be treated in the same way I've set out above, subject to Miss C paying her policy premiums in respect of this.

## **My final decision**

For the reasons set out above, I uphold Miss C's complaint against Wakam and direct them to put things right

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 5 November 2025.

Lale Hussein-Venn  
**Ombudsman**