

The complaint

Mr C complains about the price Pinnacle Insurance Limited charged for his pet insurance policy.

What happened

The circumstances aren't in dispute, so I'll summarise the main points:

- In 2014, Mr C took out a pet insurance policy for his dog, through another party, P. It renewed annually and, after the 2023 renewal, Pinnacle became the underwriter. From that point onwards, P was acting on Pinnacle's behalf.
- At the 2025 renewal, Pinnacle increased the annual premium from around £650 to over £1,300 – so it more than doubled. Mr C complained about this.
- Pinnacle said it took into account a number of factors when calculating the premium and sought to make the premium as low as possible. It noted that premiums are only fixed until the next renewal and should be expected to increase annually – especially if a claim has been paid, as was the case here. It said it couldn't reduce the premium, but it offered Mr C £80 as a gesture of goodwill.
- Our investigator thought Pinnacle has acted fairly. An agreement wasn't reached, so the complaint has been passed to me.

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 won't be upholding this complaint. I'll explain why. Before I do so, it's important to set the scope of the complaint, so it's clear what I've considered – and what I haven't.

Scope of the complaint

- I understand Mr C would like to complain directly against P. In relation to the subject matter of this complaint – the 2025 premium increase – P isn't the relevant respondent business. Pinnacle is. That's because Pinnacle was the underwriter in 2025 and it set the premium at that renewal. I recognise that P responded to the complaint. But it did so on Pinnacle's behalf.
- A separate complaint has been made to P. It's about the original sale of the policy in 2014, including Mr C's view that P sold the policy on the basis the claims history wouldn't be considered when calculating premiums – but it's recently changed that position to his detriment. I haven't considered that complaint as part of this decision. Mr C is entitled to refer that separate complaint to this Service if he's unhappy with P's response, or it doesn't provide one within the time limit.

2025 premium increase

- Each insurer is entitled to take its own view of risk and, based on that, what price to charge for providing insurance to a particular policyholder.
- I think Mr C accepts it's fair in principle for the premium to increase. But it's the *extent* of the increase that he doesn't think is fair. The premium more than doubled, so I can understand why it may have come as a shock to Mr C and caused him concern.
- Pinnacle has explained in general terms why the premium increased significantly in 2025. It's explained it takes into account a number of factors when calculating a premium. This includes the age, breed and gender of the pet, where it lives, and its claim history – and therefore, the likely cost of vet fees in the event of a claim.
- The evidence I've seen from Pinnacle satisfies me it's checked the 2025 premium increase and there weren't any calculation errors. And the increase was in line with the way Pinnacle calculates premiums for all policyholders, so Mr C has been treated consistently. It's for Pinnacle to decide what premium it needs to charge to account for the risk, and I'm satisfied it's done that in line with its general view of risk.
- I note Pinnacle provided some information to Mr C at the 2024 renewal about what he could expect from the policy. It said premiums were only fixed until renewal and he should expect them to increase each year. It also said there was no limit to the increases, and they could be significant – particularly if a claim was paid. Noting that Pinnacle was only responsible for the premium from 2024, I think it acted fairly within that timeframe to help set Mr C's expectations fairly and reasonably.
- I recognise Mr C has said this kind of premium increase isn't what he expected when he first took out the policy. But, as Pinnacle isn't responsible for the original sale of the policy, or anything prior to the 2024 renewal, this isn't something I can consider against Pinnacle.
- For the reasons given above, I consider the 2025 premium increase was fair and reasonable in the circumstances.
- Nonetheless, Pinnacle offered Mr C £80 as a gesture of goodwill. I don't think this was an admission that it had acted unfairly – it was simply a goodwill offer to Mr C. It remains open to him to accept the offer if he would like to.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 26 November 2025.

James Neville
Ombudsman