

The complaint

Mr M complains about the price Wakam charged for his pet insurance policy.

What happened

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

- In 2023, Mr M took out a pet insurance policy for his dog, underwritten by Wakam. It was sold and administered by a company, M, acting on Wakam's behalf.
- At the 2025 renewal, Wakam increased the annual premium from around £450 to nearly £900 – so it nearly doubled. Mr M complained about this.
- On behalf of Wakam, M said it was confident the premium increase was fair. It said there were a number of factors which drove the increase and affected all policyholders. It also noted Mr M had made claims and that had significantly impacted the premium.
- Our investigator thought Wakam had 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.
- 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 M 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 M and caused him concern – particularly as his is a 'lifetime' pet policy, he's made claims, and so he would likely lose some of the policy benefits if he were to move to another insurer.
- Wakam has explained in general terms why the premium increased significantly in 2025. It said it takes into account a number of factors when calculating a premium. This includes the age of the pet, its claim history, and the likely cost of vet fees in the event of a claim.
- The evidence I've seen from Wakam 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 Wakam calculates premiums for all policyholders, so Mr M has been treated consistently. It's for Wakam 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.

- Given the nature of a lifetime policy, and the challenges involved with moving to another insurer after making claims on it, I would expect Wakam, through M, to be clear about the likelihood of premium increases from the outset. That would enable Mr M to make an informed choice about whether the policy was right for him, and set his expectations for the policy fairly.
- When Mr M took out the policy, M told him the price of the policy was “likely to increase each year. Things like pets getting older, the claim history and more sophisticated vet treatments becoming available can significantly affect insurance costs”. So I’m satisfied it made clear that not only could Mr M expect annual increases, he could expect *significant* increases in some circumstances – including if claims were paid.
- Whilst Wakam didn’t specify exactly how much the increases could be, or clarify that they could be unlimited, I’m satisfied the use of the word ‘significant’ was sufficiently clear that considerable increases, well in excess of inflation, could be expected. It was also clear such an increase was linked to the payment of claims – and that’s what happened here.
- For the reasons given above, I consider the 2025 premium increase was fair and reasonable in the circumstances.
- Some of the points Mr M has made go beyond Wakam and are about the pet insurance market more widely. That’s not something this Service has the power to consider. Our role is to resolve individual disputes between customer and business. As our investigator has explained, any concerns about the wider market are a matter for the regulator, the Financial Conduct Authority (FCA).

My final decision

I don’t uphold this complaint.

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

James Neville
Ombudsman