

The complaint

Miss L complains about the price Wakam charged for her pet insurance policy.

What happened

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

- In 2020, Miss L took out a pet insurance policy for her dog, underwritten by Wakam. It was sold and administered by another company, M.
- At the 2024 renewal, Wakam proposed to increase the annual premium from around £1,250 to nearly £2,700. Miss L added a co-payment, which limited the increase to around £2,000. Overall, that meant an increase of around 60%, for less cover.
- Miss L complained to M. In short, she said it had initially told her any claims she made wouldn't impact the premium – but it now seemed they did. She said the policy had been mis-sold. M conceded it didn't do enough to manage Miss L's expectations and paid compensation. Complaints about M have been considered separately.
- Miss L also complained to Wakam. She said the extent of the increase was unfair, not in line with the amount new policyholders would be charged, and hadn't been explained or justified. She said may suffer financial hardship if she paid it.
- Wakam said the premium had been calculated fairly and explained the main factors that had contributed to the increase.
- 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 Miss L accepts it's fair in principle for the premium to increase. But it's the *extent* of the increase that she doesn't think is fair.
- After Miss L added a co-payment, the premium increase from 2023 was around 60%, for less cover. I can understand why it may have come as a shock to her and caused concern, particularly as hers is a 'lifetime' pet policy, she's made claims, and so she would likely lose some of the policy benefits if she were to move to another insurer.

- Wakam has explained in general terms why the premium increased in 2024. 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.
- I wouldn't expect Wakam to go further than this and share or explain its underwriting information with Miss L. Wakam has shared that information with this Service. It's commercially sensitive, so it wouldn't be appropriate for me to discuss it in detail. But I can reassure Miss L the information is clear and comprehensive.
- The evidence I've seen from Wakam satisfies me it's checked the 2024 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 Miss L 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.
- I haven't seen any evidence from Miss L to show that Wakam would charge a lower premium for the exact same cover to a new policyholder. So I don't have reason to think it may have acted unfairly in this regard. If she has such evidence, she's entitled to share it Wakam for further consideration.
- For the reasons given above, I consider the 2024 premium increase was fair and reasonable in the circumstances.
- Any concerns Miss L has about the way the policy was sold or administered, including information about how the premium may change over time, and why, are a matter for M. So I won't hold Wakam responsible for such concerns.
- Some of the points Miss L 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 I think Miss L is aware, 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 Miss L to accept or reject my decision before 3 December 2025.

James Neville
Ombudsman