

The complaint

Mrs B has complained that Covea Insurance plc unreasonably and unfairly increased her premium amount for her lifetime pet policy on renewal.

References to Covea include references to their intermediary. Initially the intermediary said this complaint should be set up against it, but as it's not the underwriter it's correct the complaint is set up against Covea.

What happened

Mrs B chose to take out a lifetime policy for her mixed breed dog which resembles the size and look of a named breed. In 2024 she received her renewal invitation. This showed that her monthly premium instalments would now be £74.38 per month up from £46.64 per month. She calculated this to be an increase of 65% in just one year. She said Covea said vet bills only increased by 39% since 2020, so she was very concerned she was expected to absorb a 65% increase.

She explained she had made a claim, and her premium instalment was increased to £46.64 per month consequently. The condition she claimed for now requires continuing medication. However, Mrs B explained she mostly paid for that continuing medication without claiming so it didn't seem fair her increase to £74.38 per month could be due to the handful of medication claims she had since claimed. She asked Covea to explain but she never received a response until its final response letter of 4 September which didn't uphold her complaint, but it offered her £50 compensation for its delay in responding to her complaint.

So, Mrs B felt she had to renew her policy as she was unlikely to find any other insurer willing to insure her dog with its ongoing medical issues. She feels this gives lifetime pet insurers the ability to charge whatever they want so leaving policyholders at a financial disadvantage. She's of the view that this is very unfair.

So, she brought her complaint to us. The investigator didn't think Covea had acted fairly as it never provided any underwriting information to tell us Mrs B hadn't been singled out and treated differently. She thought it should refund the premium increase with interest and pay Mrs B £100 compensation. Covea never responded so Mrs B's complaint was passed to me to decide.

I issued a provisional decision on 6 August, and I said the following:

'Having done so, I'm intending to uphold this complaint for different reasons to that of the investigator. I'll now explain why. I do understand and appreciate Mrs B may well remain dissatisfied, but the rules under which we operate are quite clear on the matter.

Meanwhile Mrs B has raised several further complaints to Covea and its intermediary and is clearly being adversely affected beyond this complaint too. Despite asking repeatedly, we have not received any information at all from Covea's underwriting

guide which might show that Mrs B wasn't treated unfairly as regards the premium increase. Therefore, it follows that without that evidence, I don't consider the premium increase is fair and reasonable. Consequently, I'm intending to uphold this complaint.

However, this service can't tell any insurer what premium price it should place on any risk it wants to insure. That is a commercial decision which each insurer is entitled to make provided they do so within the regulations of the Financial Conduct Authority and don't single out or treat any policyholder any differently to other policyholders in similar circumstances. So, I don't have the authority under the rules that govern this service to decide that Covea should refund Mrs B any premium at all or to decide what premium amount it should charge her.

Policyholders with lifetime policies are told in the policy documentation that premiums can increase along with the co-payment of claims in addition to the excess as their pet ages. This is standard in lifetime policies as the likelihood of claims needing to be made increases as the pet ages. Further chronic and ongoing conditions remain covered with a lifetime policy provided the policy is renewed each year. That wouldn't be the case in a standard pet policy.

Covea did do this here as it said the following in the policy document:

'It is important to note that the Policy Terms and Conditions can change over time and as PuffinInsurance.com lifetime insurance can provide cover for various conditions over the life of your pet, you must be able to afford to pay for your policy each year. The policy is likely to increase in price at renewal, based on the age of your pet, claims history and other costs, such as enhancements to cover and increases in the costs of veterinary treatment. You will also need to consider that excesses may change as your pet gets older.'

'For example: The cost of covering a pet (based on pricing inflation in 2023) can increase between 10% - 20% each year for pets up to 10 years old, although higher increases could apply. For older pets, the renewal price could rise by 35% or more.'

However, it needs to show us how it applied the varying things that would have affected Mrs B's specific premium and so show us that she wasn't singled out and treated differently to any other policyholder in similar circumstances. This does tend to be commercially sensitive information which wouldn't get shared with Mrs B but if Covea had disclosed it to us, we could have examined it and decided accordingly. But it hasn't done so, unfortunately.

Therefore, given Covea hasn't disclosed its underwriting criteria and guidelines to us, it has caused Mrs B considerable and significant ongoing upset and distress as the basis of her complaint can't yet be decided for her. Consequently, I don't consider the amount of compensation as suggested by the investigator of £100 is sufficient here. I consider Covea should pay Mrs B the sum of £450 compensation for its failures here, with the added distress it has now caused her in that I can't decide whether its premium increase was fair or not, given it hasn't disclosed the information requested. This is in line with our approach to compensation as more fully detailed on our website. This is also in addition to the £50 compensation it offered Mrs B in the final response letter.'

Mrs B responded saying on the basis that her other complaints about Covea and its agents are now about to be dealt with by our service, she would accept this provisional decision.

Covea responded that it had told its intermediary to send us everything in March and copied in what was sent in then by this intermediary, yet again.

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 again, I remain of the view that the outcome and reasoning detailed in my provisional decision remains fair and reasonable.

Covea and its intermediary, despite our requests have refused to provide this service with its underwriting criteria, ratings and underwriting guide to show whether or not Mrs B was singled out and treated differently from any other policyholder in a similar situation.

Its intermediary sent in other documents outlining its decision to increase the premium, but crucially not the actuarial ratings and calculations which would have shown me if Mrs B was treated the same as other policyholders in similar circumstances. We persistently asked for this information, but our requests were either not understood or plainly ignored instead.

Without that information, which we ask every insurer to produce in these sorts of complaints, it's impossible for us to assess if the consumer has been treated fairly.

Therefore, it remains that I don't consider Covea has shown it has treated Mrs B fairly here, at all.

My final decision

So, for these reasons it's my final decision that I uphold this complaint.

I now require Covea Insurance plc to pay Mrs B the sum of £450 compensation. If it hasn't paid Mrs B the £50 compensation it offered in the final response letter, it should add that £50 to this compensation payment making sure the total Mrs B receives for this complaint is £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 17 September 2025.

Rona Doyle
Ombudsman