

The complaint

Mrs P complains about the price Pinnacle Insurance Limited charged for her pet insurance policy.

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.

Our investigator thought Pinnacle had acted fairly. I agree, and for the same reasons, so I don't think it's necessary for me to go over everything again in detail. Instead, I'll summarise the main points:

- In 2016, Mrs P took out a pet insurance policy for her dog, through another party, T. It renewed annually and, at the 2025 renewal, Pinnacle became the underwriter.
- At the 2025 renewal, Pinnacle set the annual premium to nearly £2,500. At the 2024 renewal, before Pinnacle became the underwriter, she paid just over £1,000. So the premium increased by around 150%. Mrs P says the increase has made the policy unaffordable, so she's had to cancel it and move elsewhere – losing some of the cover she would have had for certain medical conditions.
- 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.
- Pinnacle has 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 and there weren't any calculation errors. And the calculation was in line with the way Pinnacle calculates premiums for all policyholders, so Mrs P 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 understand Mrs P's complaint isn't necessarily that she thinks Pinnacle has miscalculated the premium or treated her inconsistently with other policyholders. And I think she accepts a premium increase is likely and fair in principle. But it's the *extent* of the increase that she doesn't think is fair. The premium more than doubled, so I can understand why it may have come as a shock to Mrs P and caused her 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.
- However, Pinnacle only became the underwriter at the 2025 renewal. It was entitled to set the premium according to its general view of risk at that time. And it wasn't responsible for the earlier premiums – or taking them into account when setting the 2025 premium. That means I can't hold it responsible for the increase at the 2025

renewal. Nonetheless, I note Pinnacle took steps to limit the impact of applying its general view of risk by capping the premium increase.

- Given the nature of a lifetime policy, and the challenges involved with moving to another insurer after making claims on it, I would expect the likelihood of premium increases to have been made clear to Mrs P from the outset. That would have enabled her to make an informed choice about whether the policy was right for her, and set her expectations for the policy fairly. I note Pinnacle wasn't responsible for the original sale of the policy, or any other communication Mrs P may have received prior to the 2025 renewal. So these aren't points I can consider against Pinnacle.
- For the reasons given above, I consider the 2025 premium was fair and reasonable in the circumstances.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 4 December 2025.

James Neville
Ombudsman