

The complaint

Ms K complains that, when she bought a lifetime pet insurance policy through ManyPets Ltd, she was told claims wouldn't affect her premium, but this was later changed and she wasn't told about this.

What happened

Ms K took out a policy through ManyPets in 2020 and continued to renew each year. In 2025, Ms K received a renewal quote which was 64% higher than what she'd paid the previous year – and she was informed one of the reasons for the price increase was down to claims she'd made. Ms K complained to ManyPets and said, when she first took out the policy and in the next couple of renewals, the information she received made it clear individual claims wouldn't affect the premium. She said the information provided during a further renewal didn't then clearly communicate that claims history was now being factored into the premium. Ms K says her pet was then diagnosed with a condition in 2024 and, following claims which she made, this caused a significant increase in her premium.

ManyPets responded and explained, when Ms K first took out the policy, they said individual claims wouldn't affect the premium. They said, however, to ensure fairness for all their customers they had to revise their approach. They explained they'd revised their approach in July 2022 and, since then, individual claims were considered in renewal calculations. They recognised the price increase will have caused Ms K shock and paid £150 compensation.

Our investigator looked into things for Ms K. She thought the £150 paid to Ms K was fair and didn't uphold the complaint. Ms K disagreed so the matter has come to me for a decision.

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've decided not to uphold the complaint. I understand Ms K will be disappointed by this but I'll explain why I have made this decision.

Ms K bought a lifetime policy. These policies are generally more expensive than standard policies as they provide a greater level of cover - ongoing or recurring conditions will continue to be covered for the lifetime of the pet, provided the policy is renewed and the premiums are paid.

There are also different considerations around the long-term cost and cover with these policies. The cost won't stay the same for the life of the policy and will generally increase each year at renewal, as the pet gets older. The cost can also increase due to claims, the cost of treatment going up, or if an insurer re-evaluates the risk. As such, there's no limit to how high the cost could be.

Ms K is unhappy in particular that claims history is now taken into account, which is not what she was told when she took the policy out. The change was made a couple of years after

Ms K bought her policy – and it's at the point Ms K first took out the policy that this should have been made clear to her. So, as a starting point, I've considered what Ms K was told when she took out the policy.

The policy was marketed and sold to Ms K as one that would continue to provide cover for as long as a customer continues to pay the premiums. The way the premium is calculated has changed from the position when Ms K bought the policy. However, claims were always taken into account when calculating premiums. The difference is that previously they were pooled across customers with similar characteristics whereas now someone who makes more claims will be charged more – if claims in the last 12 months indicate an increased risk of future claims. I don't think that amounts to a fundamental change to the nature of the cover offered.

But as the seller of the policy, ManyPets had a responsibility to provide clear, fair and not misleading information to Ms K when she took this policy out. The relevant rules (the Insurance Conduct of Business Sourcebook – ICOBS) sets out 'the appropriate information rule' under ICOBS 6.1.5 which says a firm needs to take reasonable steps to provide a customer with "*appropriate information about a policy in good time and in a comprehensible form so that the customer can make an informed decision about the arrangements proposed*".

Lifetime policies provide cover for a long term – over the life of the pet. The seller of this type of insurance won't be in a position to tell a consumer exactly what their future premiums will be, but can provide information about the factors that may affect this. I'd generally expect the seller to give clear information about what may happen with premiums in the long term.

In this case, I don't think ManyPets did that. Ms K was told claims wouldn't be taken into account. That wasn't fully correct – claims were taken into account, but as mentioned above, these were 'pooled' so premiums were based on overall claims. And that was later changed, to take into account individual claims made by a policyholder. So the information provided wasn't accurate.

The policy was sold to Ms K on the basis any individual claims she made wouldn't affect the premium. She wasn't given any caveat to that or any indication it might change in future. As she was making a decision about taking out a lifetime policy, she should've been told this so she could make an informed choice as to whether this was the right policy for her pets. This is particularly the case given the significant impact individual claims has on the premium. Ms K wasn't given clear information about how premiums might be calculated in future and bought her policy thinking she could make claims without that affecting the cost of the policy.

Given that I believe there has been a failing here, I've gone on to consider what Ms K would have done if she had been given clear information and was able to make a decision knowing things might change in future, and claims might be taken into account. This involves making a judgement based on the balance of probabilities, and what I think is more likely to have happened, based on the evidence I have.

The first renewal invite sent to Ms K in 2021 included a section headed 'Why do prices change?'. This explained there were a number of factors taken into account when calculating a price for a policy. This included, "...*where you live, the age of your pet, whether they are spayed/neutered and the cost of medical treatment.*" The same explanation was provided in the 2022 renewal invite. So, similar to when Ms K first took out the policy, there wasn't any indication that individual claims would affect the premium.

In the 2023 renewal, the section headed 'Why do prices change?' said, "*When we work out your price we look at lots of factors. Things like your pet's age, more sophisticated vet*

treatments becoming available and your claims history can significantly affect your renewal premium.” There was also a link to a webpage explaining how premiums are calculated, which also explained that claims affected the premium.

Then in 2024, the renewal invite gave a similar message, but in a different format. Again, this was under the heading ‘Why do prices change?’ and said, when a premium is calculated, they mainly look at three things and set out three individually numbered points. One was pet’s age, another was higher inflation, and the third point was ‘Your claims’. Each point included a description of each factor and how and why it affects the premium. For claims, it said, *“If your pet has needed medical treatment this year, it could mean they’ll need it again. This risk means your renewal price could be affected...”*

I acknowledge Ms K says things changed in December 2024 when her pet was diagnosed with a condition, and a series of claims followed. But I think it was clear from the renewal invites issued to Ms K in May 2023 and May 2024 that claims made by Ms K would be taken into account when pricing the policy, and that this could lead to a significant price increase. This information wasn’t buried away in the policy terms and conditions; it was in the covering email – and under an appropriate heading designed to draw a customer’s attention to the information.

So, at the renewal in 2023 and 2024, Ms K had all this information and decided to renew the policy. If she was unhappy about claims now being taken into account, she could have raised it at that point. And she could have switched insurer at that time if she wanted to, before she went on to make the claims that led to the increase in the 2025 premium. Instead, Ms K decided to renew the policy on two occasions, having been given clear information that claims did now affect the premium.

On that basis, I’m not persuaded that Ms K would likely have chosen a different policy in 2020, given that she didn’t do so once made aware that claims were a factor. On balance, I think it more likely she would have bought the policy anyway. And although it was upsetting to find out her claims had affected her premium, it shouldn’t have come as a complete shock, since she had been told at least by the 2023 renewal that this was the case.

That said, there is still the issue around the lack of information and clarity provided when Ms K first took out the policy. ManyPets have paid £150 compensation and, given the impact on Ms K, and the duration of that impact, I think this is fair and reasonable in the circumstances and reflects the shock caused to Ms K.

I acknowledge Ms K says her premium in 2024 had already increased significantly and, had she been made aware at that point that claims history was being factored into the premium, she would’ve changed insurer. Ms K has also provided information which shows she was exploring the market and had obtained a quote from another provider in May 2024. Ms K says, had ManyPets clearly informed her that claims history was a decisive factor in renewal pricing, she would’ve likely switched providers.

As I’ve mentioned above, I think the renewal invites sent to Ms K in 2023 and 2024 made the position clear around claims history being factored into the price. I acknowledge Ms K says the renewal in 2024 was the last opportunity she had to switch insurer prior to her pet’s condition being diagnosed and, given this was a material change, ManyPets should’ve done more to bring this to her attention. But I don’t believe the information was hidden amongst a lengthy document. As I’ve mentioned, it was set out in a format which I believe was sufficient to draw a customer’s attention towards the information – and I think the information was clear that claims history was a factor which was being taken into account.

I can see Ms K also mentions that the wording relating to claims history in the 2024 renewal was vague, so she understood this to mean only minor adjustments would be made rather than a fundamental change to the pricing model. I do acknowledge Ms K's points, but I don't believe the wording was vague or that it suggested claims history would only have a minor impact on the price. The wording says, "*we mainly look at three things.*" and then listed three points. Given that the wording referred to three main factors and then went into detail about how and why those factors affect the price, I don't believe the information was vague or that it suggested claims history formed only a minor factor in the pricing model.

I wish to reassure Ms K I've read and considered everything she has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 6 March 2026.

Paviter Dhaddy
Ombudsman