

## **The complaint**

Mrs H complains when she bought a lifetime pet insurance policy Many Pets Ltd said it wouldn't take individual claims into account when calculating premiums but is now doing so.

## **What happened**

Mrs H took out lifetime pet insurance through Many Pets in 2017 for her dog. At renewal in 2023 she complained about issues including the price of her policy. Many Pets explained why the premium had increased and said since July 2022 it did consider individual claims as a rating factor. Mrs H complained again about the cost of her policy at renewal the following year. She said she wouldn't have taken it out if she'd been told claims would be taken into account in future.

Many Pets accepted when Mrs H took out the policy she'd been told individual claims wouldn't impact premiums. It explained why the position on that was now different but accepted that change would have been a shock to Mrs H. It paid £250 in recognition of the impact of that on her.

Our investigator agreed Many Pets should have given Mrs H clearer information about the potential for premiums to increase in future when the policy was sold. She thought Mrs H would still have bought the policy even if Many Pets had done so but accepted the subsequent increase would have been upsetting for her. However, she thought the compensation Many Pets had now paid did enough to put things right. She set up a separate complaint against policy insurer to consider Mrs H's concerns about premium increases.

Mrs H didn't agree. She thought the increase in cost of her policy was unreasonable and was designed to put her off renewing. When taking out the policy she'd identified two companies that didn't use claims as a rating factor. If she'd known Many Pets would do so in future she'd have taken out cover with the other provider. She wasn't now able to do so because her dog's chronic condition wouldn't be covered. And she queried whether Many Pets was able to change the terms of the policy given this was lifetime pet insurance.

So I need to reach a final 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.

I appreciate Mrs H is concerned about the amount by which her premiums have increased. However, that isn't something Many Pets is responsible for; those are decisions taken by her policy insurer and have been considered as part of the separate complaint against that business. It isn't something I'm looking at in this decision. What I can consider is what Many Pets did at the point this policy was sold. And in relation to that the relevant rules say it needed to take reasonable steps to provide "*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*".

Mrs H took out lifetime pet insurance 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 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. There's no limit to how high the cost could be.

I haven't seen evidence to show Many Pets made Mrs H aware when taking out this policy of the potential for the premium to increase significantly over time. And I understand she was told individual claims wouldn't affect the premium. I appreciate that reflected the pricing position at that time. But that subsequently changed.

Mrs H has queried whether Many Pets was able to make that change at all. We have previously said in some circumstances it might not be fair for a business to make changes to a policy like this if they fundamentally change the nature of the cover on offer - for example, where an insurer withdraws from the market and leaves a consumer without ongoing cover for a pre-existing condition, which would otherwise be covered by the policy. I don't think that's the same as what happened here.

The way the premium is calculated has changed from the position when Mrs H 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 I do think Many Pets was at fault in not giving Mrs H any indication that could happen at the point of sale. And as she was making a decision on lifetime cover I think that was something she should have been told so she could make an informed choice as to whether this was the right policy for her pet.

I've gone on to consider what Mrs H would likely have done if she'd been given clearer information about this. She's said she would have gone with the other insurer she'd found that didn't take claims into account when calculating premiums. I accept that's possible but I don't think it's likely. The information Many Pets gave Mrs H about how it would calculate premiums was correct at the time. The failing was in not highlighting that could change in future.

But even if it had done so Mrs H wouldn't have known that would happen (and the other insurer she's referenced could also have changed its position on premium calculation in the same way). Mrs H was presumably also happy with the overall cover offered by the policy Many Pets sold. I'm not persuaded being told there was a possibility the premium calculation could change in future would have impacted her decision making. I think it's most likely she'd still have gone ahead and taken out this policy.

I do accept it will have been a shock to Mrs H to learn in 2023 the position had changed. She was also clearly upset more generally at the amount her premium had increased by. That would have been alleviated if Many Pets had given clearer information about the potential for that to happen when she took the policy out. I also recognise if Mrs H were now to move to a different insurer it's unlikely her dog's current condition would be covered.

Against that I think Mrs H would reasonably have expected the premium to increase as her dog got older (I note at renewal in 2025 it was nearly 8 years old). And following her complaint in 2023 Many Pets explained the potential for the premium to change so further increases following that will have been less of a shock to Mrs H. Taking all of that into account I think the £250 Many Pets has already paid does enough to recognise the impact on Mrs H of what it got wrong when this policy was sold.

### **My final decision**

I've decided not to uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 18 March 2026.

James Park  
**Ombudsman**