

The complaint

Mr G is unhappy with the communication from Casualty & General Insurance Company (Europe) Ltd (CGI) about the renewal of his lifetime pet insurance policy, and the increase in the cost of this policy.

What happened

Mr G took out pet insurance with CGI in March 2024 to cover his two pets at a cost of £334.84 for the year. In February 2025, Mr G was sent a renewal invite for his policy, and was told the annual premium would be £438.96.

Mr G complained to CGI about the cost of his premium. Mr G also said he hadn't received the renewal invite and had checked online for a policy as a new business customer and found that it was available for £325.19. CGI didn't uphold Mr G's complaint. Unhappy with CGI's response, Mr G referred his complaint to the Financial Ombudsman Service.

Our Investigator explained that although the price of the renewal premium was more than Mr G was expecting, CGI had dealt with Mr G fairly and hadn't singled him out. The Investigator did find that the information provided about the cost of the policy for future years, when it was taken out in 2024, could've been clearer. The Investigator said CGI must pay Mr G £150 in recognition of this poor service, and the impact on Mr G. Mr G didn't agree and so the case has been passed to me for 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'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided. Having done so, I agree with the Investigator's findings and outcome on Mr G's complaint for the same reasons. I understand Mr G will be disappointed by this but I'll explain why I have made this decision.

Firstly, I recognise Mr G has commented on CGI's final response letter incorrectly referring to an email sent in March 2024. I accept this should've referred to, and included a screenshot from, March 2025. However, this error doesn't impact my reasoning or outcome when determining the crux of Mr G's complaint relating to the renewal information and pricing of his policy.

Mr G says he didn't receive any communication from CGI about his upcoming 2025 renewal. I've seen that Mr G was sent renewal information to the email address CGI held for him in February 2025. Although the evidence shows Mr G didn't open this correspondence, I'm satisfied CGI's communication was fair. I say this because it was sent to the same email address used to issue Mr G's policy inception documents in March 2024. I can't see that Mr G requested for CGI to corresponded with him in a different way. So, I'm satisfied the renewal information sent to Mr G was overall reasonable and in line with what we'd expect.

The other part of Mr G's complaint concerns the price charged by CGI for the renewal of his policy in March 2025. The role of this service when looking at complaints about insurance pricing isn't to tell a business what they should charge or to determine a price for the insurance they offer. This is a commercial judgement and for them to decide. But we can look to see whether we agree a consumer has been treated fairly – so is there anything which demonstrates they've been treated differently or less favourably.

I think it's important to mention here, it's for a business to decide what risks they're prepared to cover and how much weight to attach to those risks - different insurers will apply different factors. That's not to say an insurer offering a higher premium has made an error compared to an insurer offering a cheaper premium – but rather, it reflects the different approach they've decided to take to risk.

CGI has provided me with confidential business sensitive information to explain how Mr G's renewal price was calculated in 2025. I'm afraid I can't share this with Mr G because it's commercially sensitive, but I've checked it carefully. And I'm satisfied the price has correctly and fairly been calculated and I've seen no evidence that other CGI customers in Mr G's position will have been charged a lower premium. I'm satisfied CGI has priced Mr G's policy correctly and fairly in 2025, and I haven't found reason to uphold his complaint about this issue.

I note Mr G held lifetime policies for his two pets. And lifetime policies are usually more expensive than standard policies as they provide a greater level of cover. But there are also different considerations surrounding the long-term cost and cover for customers with these policies, as the cost doesn't stay the same for the life of the policy and will generally increase each year at renewal, as the pet gets older and the cost of veterinary treatment goes up. The cost can also increase due to claims, changes in insurance premium tax or if an insurer re-evaluates the risk. There's no limit to how high the cost could be.

I accept it wouldn't have been possible for CGI to provide full transparency about the future cost of the policy as it wouldn't have known what that would be. So it might always have been difficult for Mr G to understand whether it would remain affordable for him in future. But, it's in the nature of these policies that someone would expect to keep them for the lifetime of their pet. So I think Mr G did need to understand that the cost of the policy might increase significantly over that period and to the extent it could become unaffordable for him.

I've not seen clear evidence to show CGI did make that clear to Mr G. I haven't seen anything to show Mr G was provided with any relevant cost information in respect of how the price would be impacted at renewal. So, he wouldn't have known, for example, the significant nature of premium increases for a policy of this type or that there's no limit on how much the costs might increase by.

I've gone on to think about the impact of that failing. I've considered whether Mr G would've still taken out the policy with CGI, even if the lifetime cost information had been made clear. I know from Mr G's response to the Investigator's findings that he strongly disputes that this is what he would've done. But he hasn't explained why, or what the alternative option he would've taken instead. With the evidence available I must decide what I think would've happened on balance.

And on balance, I think it's likely Mr G would still have gone ahead with this policy, even if he'd known the premium could increase significantly in the future. I say this because Mr G took out pet insurance, so he clearly wanted some type of cover for his pets. And, as he chose to take out a policy like this, he had an interest in the greater level of cover it provided.

I haven't seen any evidence to persuade me that Mr G would've acted or done anything differently at the time.

But I do think that increase is likely to have come as a shock to Mr G. I've thought about the impact on Mr G and I'm satisfied the £150 our Investigator recommended is reasonable compensation for what went wrong in the selling of the policy. I say this because Mr G might reasonably have thought there would be some increase, but the size of the increase would have been unexpected and would have caused some distress.

Mr G says the compensation doesn't cover the extra amount he now has to pay plus the distress he has been caused. But it isn't intended to cover the increase in premium; it's only to acknowledge the distress he has been caused.

My final decision

I've decided to uphold this complaint. Casualty & General Insurance Company (Europe) Ltd will need to put things right by paying Mr G £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 December 2025.

Neeta Karelia
Ombudsman