

The complaint

Miss B complains about the price quoted by Pinnacle Insurance Limited (“Pinnacle”) to renew her pet insurance policy.

What happened

Miss B received a quote to renew her policy which she says was significantly higher than what she’d paid the previous year. Miss B complained about the price increase and also about misleading information she says Pinnacle provided about reducing the premium and the time it took Miss B to get through to speak with an agent.

Pinnacle responded and explained the price had been calculated correctly and in line with other customers whose pets presented the same level of risk. Pinnacle explained the insurer had changed from the firm which had underwritten the policy the previous year. They explained Pinnacle had taken into account factors such as the product purchased, the age and breed of Miss B’s pet, Miss B’s address and vet fees in that area, and the cost of claims. Pinnacle also explained they’d taken into account historical claims experience as well as future predicted claim costs. Pinnacle said the information they sent suggested they may be able to reduce the price, but this wasn’t guaranteed. They acknowledged Miss B had been left waiting on the phone for an unreasonable period and paid £25 compensation.

Our investigator looked into things for Miss B. She thought Pinnacle hadn’t treated Miss B unfairly in relation to the pricing. Miss B 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 Miss B will be disappointed by this but I’ll explain why I have made this decision.

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. If we think someone has been treated unfairly, we can set out what we think is right to address this unfairness.

I can see Miss B paid a premium of £879.24 in 2024 but then received a quote for £1,104.72 in 2025. This is around 26% more than what Miss B paid the year before. But Miss B also says it’s significantly higher than what she paid when she originally took out the policy. So, I understand why Miss B is concerned about the price increase. Pinnacle have provided me with confidential business sensitive information to explain how Miss B’s price increase was calculated. I’m afraid I can’t share this with Miss B because it’s commercially sensitive, but I’ve checked it carefully. And I’m satisfied the price Miss B was quoted has been calculated

correctly and fairly and I've seen no evidence that other Pinnacle customers in Miss B's position will have been charged a lower premium.

As mentioned above, I can't provide specific detail about Pinnacle's risk model, but I can see one factor which has contributed to the price increase relates to claims experience. Insurers will regularly monitor claims performance to determine how factors such as vet fees will impact the amount they may need to pay out for claims. It's not unusual or uncommon for insurers to take into account this factor when rating a policy – and in this case I've seen how this impacted the price. The pricing information shows how this factor has been rated and the impact on the price. So, I can't say Pinnacle have acted unfairly here.

I acknowledge Miss B says she hasn't made a claim for over three years, but 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. This similarly applies to rating factors and loadings. It's for an insurer to decide what rating factors and loadings to apply to a policy. In this case, I've seen how Pinnacle's claims experience has impacted the price as well as Pinnacle's reasons for this – and I can't say they've acted unreasonably or treated Miss B unfairly.

I think it's also important to mention, I've seen from information provided by Pinnacle, that Miss B was previously made aware that the price of her policy may increase and the reasons for this. A previous renewal letter said, *"Your premium may have increased due to rising vet fees, the age of your pet, or any other changes in your circumstances."* There's also a document headed 'Useful Information' which said, *"Your premium is calculated based on a number of factors. Each of these affects how much we need to pay out in claims. The most important factors are: Pet age...Breed...Postcode" and "At each annual review, the underwriter assesses the risk your pet presents so that we can set an appropriate premium for the coming year. Your premium will typically increase because your pet is a year older and also as a result of: Vet fee inflation...Any adverse changes in our general claims experience...Claims history."*

So, even before Pinnacle quoted the price for the 2025 renewal, which forms the basis of Miss B's complaint, she was made aware of the factors which affect the price, why they affect the price and the extent to which they affect the price. So, I think the communication around this was clear and designed to manage Miss B's expectations around price increases in the future.

Another factor which has contributed to the price increase relates to a general insurance price increase. It's been widely publicised over the last few years that the price of insurance has increased due to claims inflation and insurers facing rising costs in settling claims – and in the case of pet insurance, increasing veterinary costs have contributed to this.

I've seen how Miss B's policy was rated and the loadings which have led to the price increase. This forms part of Pinnacle's pricing model so it applies to all policies. I think that's important here as it demonstrates the pricing model used to calculate Miss B's premium was no different to what was used for any other customer in the same circumstances. Pinnacle have also provided evidence which shows how their view of risk changed and the specific ratings which were impacted by this. Pinnacle have described how they refreshed their rating system to more accurately reflect the expected costs they underwrite and how this led to Miss B's premium increasing at renewal. So in short, they have treated all customers the same with the pricing structure and Miss B hasn't been treated differently or unfairly when they chose to change their approach.

In addition to this, I've seen the renewal invite sent to Miss B and I can see Pinnacle did remind Miss B that she could shop around to see if she could get a better price. As there had been at least four renewals, then section 6.5 of the Insurance Conduct of Business Sourcebook ("ICOBS") requires a business to provide specific wording about the benefits of shopping around. So, as well as treating Miss B fairly, I think Pinnacle also acted in line with requirements set out under ICOBS.

Miss B also says information provided by Pinnacle was misleading as it suggested options, such as changing the level of cover, which would allow Miss B to reduce the price. Miss B says she discussed this with Pinnacle, but they explained they couldn't change her policy type. The renewal invite says, "*You may be able to reduce the cost of your insurance by changing your level of cover...*" Miss B says she did contact Pinnacle about changing her cover, but they explained the only way she could do this was by cancelling her current policy and buying a new one, but this meant anything which happened prior to the new policy starting would be considered pre-existing and wouldn't be covered.

Pinnacle say the information in the renewal invite says they 'may' be able to help, but this isn't a guarantee. They say there are times when they can help with reducing the premium by adjusting the policy but that's only in circumstances where there are options available. In this case, Pinnacle say Miss B's policy type, which migrated to them, isn't one which allows them to reduce the level of cover and that this is a business decision. I've seen the renewal invite, and this doesn't guarantee Miss B a price reduction. It does invite Miss B to contact Pinnacle to check whether her premium 'may' be reduced by changing the level of cover, but it doesn't provide a guarantee that Pinnacle will be able to change the level of cover or reduce the premium. So, I can't say Pinnacle have provided misleading information here.

I acknowledge Miss B says the only option which Pinnacle said was available to her, was to cancel her policy and take out a new policy. Miss B says this meant any pre-existing issues wouldn't be covered. I do acknowledge Miss B's point about this, but if no alternative options were available, then I can't say Pinnacle have acted unfairly here and I also have to keep in mind that this comes down to a business decision taken by Pinnacle.

Miss B has referred to communication she received from her previous insurer who've said, while they were underwriting the policy, there was the option of downgrading the level of cover to reduce premiums. I acknowledge Miss B's point, but that was a different insurer, who will have had its own product range and underwriting criteria. And just because one insurer offered this option, it doesn't mean Pinnacle have acted unfairly if they don't offer a product representing a downgrade from Miss B's policy.

I can see Pinnacle paid Miss B £25 compensation for the time she spent waiting on the phone to speak with an agent. I can't see there's any dispute between the parties about the level of service in this respect or the redress – and I think the compensation paid is fair in the circumstances.

I've seen from Miss B's responses to our investigator's view she raises points about the broker. She says the broker should've communicated their decision to no longer offer certain types of policy, set out the options going forward and the impact on customers already on this policy should've been assessed. The complaint I've considered here is against the insurer, Pinnacle. So, I haven't considered the complaint points Miss B has raised against the broker.

I understand why Miss B has complained, and I hope she feels reassured that I've checked the pricing information from Pinnacle. But I can't say they've made a mistake or treated Miss B unfairly. I wish to reassure Miss B 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 Miss B to accept or reject my decision before 24 February 2026.

Paviter Dhaddy
Ombudsman