

## **The complaint**

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

## **What happened**

Ms E received a quote to renew her policy which she says was significantly higher than what she’d paid the previous year. Ms E complained about the price increase and said she was left with no choice but to take out a policy with another provider, which was cheaper.

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 Ms E’s pet, Ms E’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.

Our investigator looked into things for Ms E. He thought Pinnacle hadn’t treated Ms E unfairly in relation to the pricing. Ms E 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 E 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 Ms E paid a premium of £1,326.60 in 2024 but then received a quote for £3,150.60 in 2025. This is around 137% more than what Ms E paid the year before. So, I understand why Ms E is concerned about the price increase. Pinnacle have provided me with confidential business sensitive information to explain how Ms E’s price increase was calculated. I’m afraid I can’t share this with Ms E because it’s commercially sensitive, but I’ve checked it carefully. And I’m satisfied the price Ms E was quoted has been calculated correctly and fairly and I’ve seen no evidence that other Pinnacle customers in Ms E’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 Ms E's pet's age. 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. Another factor relates to Ms E's claims history. Pinnacle have provided information relating to the claims paid and, again, it's not unusual or uncommon for this to be a factor affecting 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 Ms E says she found a cheaper policy, although the cover is more limited compared to what she had in place the previous year. 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 Ms E's pet's age and claims history has impacted the price as well as Pinnacle's reasons for this – and I can't say they've acted unreasonably or treated Ms E unfairly.

I think it's also important to mention, I've seen from information provided by Pinnacle, that Ms E was previously made aware that her pet's age and claims history affect the price of her policy and the reasons why. This information said, *"...our claims data shows that the cost of looking after your pet's health doubles every four to five years. That's why your renewal price increases each year"* and *"A claim being paid also increases the chance that a future claim will be made and can therefore also cause your renewal price next year to double."* So, even before Pinnacle quoted the price for the 2025 renewal, which forms the basis of Ms E's complaint, she was made aware that these factors 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 Ms E'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 Ms E'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 Ms E'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 Ms E's premium increasing at renewal. So in short, they have treated all customers the same with the pricing structure and Ms E 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 Ms E and I can see Pinnacle did remind Ms E 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 Ms E fairly, I think Pinnacle also acted in line with requirements set out under ICOBS.

I can see Ms E says it's unfair for Pinnacle to increase the price, yet the cover limits remain the same. I do acknowledge Ms E's concern here, but the price is based on Pinnacle's assessment of the risk so this doesn't mean the cover limits will also be increased – and it's not standard practice within the industry for this to happen.

I do appreciate Ms E will want to know more detail around what specific factors have led to the price increase and she was left frustrated at not receiving a clear explanation for this. Pricing is an area where the information which sits behind an insurer's explanation will often be commercially sensitive. So, I don't think Pinnacle have acted unreasonably in not providing Ms E with details of the specific ratings and loadings used to calculate the price.

I understand why Ms E 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 Ms E unfairly. I wish to reassure Ms E 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 E to accept or reject my decision before 24 February 2026.

Paviter Dhaddy  
**Ombudsman**