

The complaint

Miss G complains about the price quoted by Casualty & General Insurance Company (Europe) Ltd (“CGICE”) to renew her pet insurance policy.

What happened

Miss G received a quote to renew her policy which she says was significantly higher than what she’d paid the previous year. Miss G complained about the price increase, and about CGICE’s refusal to provide a breakdown of how the price was calculated and a lack of explanation and guidance around future pricing.

CGICE responded and explained the price had been calculated correctly and that they couldn’t provide Miss G with details of their confidential internal pricing formula. CGICE said they undertake regular reviews based on data they collect on a wide range of factors – and from this data they make adjustments to their pricing to more accurately reflect the risk associated with these factors which include a pet’s breed, age and geographical area. They said, in Miss G’s pet’s case, the primary reason for the price increase was due to recent claims which had been made. CGICE explained this meant they had to factor in the likelihood of the condition continuing or recurring and the costs associated with this.

Our investigator looked into things for Miss G. He thought CGICE hadn’t treated Miss G unfairly in relation to the pricing but found that CGICE hadn’t taken adequate steps to bring to Miss G’s attention how prices could increase and recommended they pay £150 compensation. CGICE agreed, but Miss G 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 to uphold the complaint. And, I think the investigator’s recommendation is a fair way to resolve matters. I understand Miss G 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 G paid a premium of £87.78 per month in 2024 but then received a quote for £197.14 per month in 2025. This is around 124% more than what Miss G paid the year before and also followed a price increase from the year prior. So, I understand why Miss G is concerned about the price increase. CGICE have provided me with confidential business sensitive information to explain how Miss G’s price increase was calculated. I’m afraid I can’t

share this with Miss G because it's commercially sensitive, but I've checked it carefully. And I'm satisfied the price Miss G was quoted has been calculated correctly and fairly and I've seen no evidence that other CGICE customers in Miss G's position will have been charged a lower premium.

As mentioned above, I can't provide specific detail about CGICE's risk model, but I can see the main factor which has contributed to the price increase relates to the claim history. 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 CGICE have acted unfairly here.

I acknowledge Miss G says there's been no change in cover or service so she questions how the increase can be so significant. 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 Miss G's claims history has impacted the price as well as CGICE's reasons for this – and I can't say they've acted unreasonably or treated Miss G unfairly.

I've seen how Miss G's policy was rated and the loadings which have led to the price increase. This forms part of CGICE'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 G's premium was no different to what was used for any other customer in the same circumstances. CGICE have also provided evidence which shows how their view of risk changed and the specific ratings which were impacted by this. So in short, they have treated all customers the same with the pricing structure and Miss G hasn't been treated differently or unfairly when they chose to change their approach.

I think it's also important to mention that 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 do appreciate Miss G 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 and breakdown 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 CGICE have acted unreasonably in not providing Miss G with details of the specific ratings and loadings used to calculate the price.

I also acknowledge that Miss G has said there's a lack of visibility around future pricing and CGICE can't even provide a general range for how much premiums might change over time. When rating risk and pricing a policy, an insurer will base this on factors which are relevant at the time they generate a quote. I think it's fair to say things change over time, and factors such as veterinary costs, claims inflation and risks presented by certain geographical areas will change from one year to the next. So, given the constantly changing nature of many factors assessed by an insurer, it would be difficult for an insurer to predict what premiums they would likely charge in future years.

I acknowledge Miss G's concern about how her pet's pre-existing conditions now mean she is limited in being able to shop around for an alternative policy. Miss G believes this creates an imbalance of power and removes the natural protection of consumer choice. While I

acknowledge the impact this has, our service will always consider a complaint from a customer about whether they've been treated fairly when an insurer prices a policy. That doesn't mean an insurer can simply increase the price of a policy without there being a reasonable and legitimate cause. So, while I do acknowledge Miss G's concern about the extent to which the price might increase in future years, we would look to see whether any price increases are based on the factors we would expect to see, are reasonable in the facts of each particular case, and are based on the presentation of risk.

While I don't think CGICE have made an error in how they've priced the policy, I think they could've done more to inform Miss G about how the type of policy she took out can lead to significant price increases. The Terms of Business Agreement ("TOBA") issued to Miss G when she first took out the policy said, *"As your pet gets older they are more likely to get ill. This means your premium is likely to increase as your pet ages. Other factors, for example our claims experience of pets of a similar breed or age or claims history and inflation also have an impact on the level of premium you will be charged at renewal and sometimes it is possible these increases will need to be significant to cover our increased costs."*

Principle 7 of the FCA Principles for Business requires CGICE to provide information that's clear, fair and not misleading. While I'm satisfied the explanation in the TOBA provides that, I'm not persuaded it was sufficiently brought to Miss G's attention. I say this because it's on page 4 of the TOBA, and under a heading 'Our Services'. I don't believe this was sufficient to draw Miss G's attention to the fact that there was important information here about how and why the price of the policy might increase. There was also no other documents I can see which brought this to Miss G's attention. And given that factors such as a claim, will likely have a significant impact on the price – which it has done in this case, I think more should've been done to bring this to Miss G's attention.

So, I've thought about the impact on Miss G and what I believe would, more likely than not, have happened if CGICE had brought this to Miss G's attention. It's clear Miss G decided she needed a policy for her pet as well as the type of policy that would provide her with the cover and benefits she wanted. And given that similar policies, from other providers, operate in a similar way when rating the policy, I'm not persuaded Miss G would've been in a position much different to the situation now – namely, a higher premium based on the type of cover and the impact the claims had on the price.

That said, I think CGICE have mismanaged Miss G's expectations by not taking adequate steps to ensure information around price increases for her type of policy was brought to her attention. So I do acknowledge the shock and upset caused to Miss G when receiving her renewal quote and noticing the significant price increase. Given the impact on Miss G, and the duration of that impact, I think £150 compensation is fair and reasonable in the circumstances.

I understand why Miss G has complained, and I hope she feels reassured that I've checked the pricing information from CGICE. But I can't say they've made a mistake or treated Miss G unfairly. I wish to reassure Miss G 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.

Putting things right

I've taken the view that CGICE mismanaged Miss G's expectations around the price increases for her policy. So, CGICE should pay Miss G £150 compensation for the shock and upset caused.

My final decision

My final decision is that I uphold the complaint. Casualty & General Insurance Company (Europe) Ltd must take the steps in accordance with what I've said under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 27 February 2026.

Paviter Dhaddy
Ombudsman