

## **The complaint**

Ms B and Miss B complain about the price Pinnacle Insurance Limited charged for their pet insurance policy.

Miss B has primarily dealt with the matter, so I'll refer to her only for simplicity.

## **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.

Our investigator thought Pinnacle had acted fairly. I agree, and for the same reasons, so I don't think it's necessary for me to go over everything again in detail. Instead, I'll summarise the main points:

- In 2016, Miss B took out a pet insurance policy for her dog, through another party, T. It renewed annually and, at the 2025 renewal, Pinnacle became the underwriter. From that point onwards, T was acting on Pinnacle's behalf.
- At the 2025 renewal, Pinnacle set the annual premium to over £3,500. At the 2024 renewal, before Pinnacle became the underwriter, Miss B paid around £2,250. So the premium increased by more than 50%. Miss B said this increase was disproportionate, unjustified and breached Pinnacle's regulatory obligations. She also said it had made the policy unaffordable for her, and she went on to cancel it.
- Each insurer is entitled to take its own view of risk and, based on that, what price to charge for providing insurance to a particular policyholder.
- Nonetheless, I would expect Pinnacle to be able to show its premium increase was fair. In these circumstances, that means it was in line with its general view of risk and Miss B was treated consistently with how any other policyholder in similar circumstances would have been.
- I know Miss B doesn't think this is a fair approach. She's said it's unreasonable for insurers to be able to charge premiums as they see fit and suggested Pinnacle's underwriting framework may be unfair. But there are no rules or regulations which prohibit an insurer from making its own underwriting decisions. It's for Pinnacle to decide what premium it needs to charge to account for the risk presented by Miss B.
- Ahead of the 2025 renewal, Pinnacle explained that it takes into account a number of factors when calculating a premium. This includes the age and breed of the pet, where it lives, its claim history, and the likely cost of vet fees in the event of a claim. So I think Pinnacle was clear about the main causes of the premium increase. I wouldn't expect it to go further and provide more detailed or specific underwriting information, as that's commercially sensitive.

- The evidence I've seen from Pinnacle satisfies me it's checked the 2025 premium and there weren't any calculation errors. And the calculation was in line with the way Pinnacle calculates premiums for all policyholders, so Miss B has been treated fairly and consistently. Pinnacle notes Miss B has made claims valuing more than £10,000. That had an impact on the premium, as it generally indicates further claims are likely.
- I understand Miss B's complaint isn't necessarily that she thinks Pinnacle has miscalculated the premium or treated her inconsistently with other policyholders. And I think she accepts a premium increase is likely and fair in principle. But it's the *extent* of the increase that she doesn't think is fair. The premium increased significantly, so I can understand why it may have come as a shock and caused her concern, particularly as hers is a 'lifetime' pet policy, she's made claims, and so she would likely lose some of the policy benefits if she were to move to another insurer.
- However, Pinnacle only became the underwriter at the 2025 renewal. It was entitled to set the premium according to its general view of risk at that time. And it wasn't responsible for the earlier premiums – or taking them into account when setting the 2025 premium. That means I can't hold it responsible for the increase at the 2025 renewal. Nonetheless, I note Pinnacle took steps to limit the impact of applying its general view of risk by capping the premium increase.
- Given the nature of a lifetime policy, and the challenges involved with moving to another insurer after making claims on it, I would expect the likelihood of premium increases to have been made clear to Miss B from the outset. That would have enabled her to make an informed choice about whether the policy was right for her, and set her expectations for the policy fairly. I note Pinnacle wasn't responsible for the original sale of the policy, or any other communication Miss B may have received prior to the 2025 renewal. So these aren't points I can consider against Pinnacle.
- For the reasons given above, I consider the 2025 premium was fair and reasonable in the circumstances.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B and Miss B to accept or reject my decision before 10 April 2026.

James Neville  
**Ombudsman**