

The complaint

Mr H complains about HDI Global Specialty SE increasing the price of his pet insurance policy premium. My references to HDI include its agents.

What happened

Mr H complained that HDI increased the price of his pet insurance from £50 to £54.99 when he changed his address.

HDI said the premium increase is correct based on the information it held. The increase to the premium caused by him moving house is due to claims information it holds relating to the rating factors in the area he's now living in.

Mr H complained to us as he thinks the premium increase is unfair. In summary he said:

- There's been no material change in his risk. His new address is only two miles from his previous address within the same city and his dog continues to attend the same vet practice so treatment costs are unchanged. The number of claims he's made is not influenced by his address.
- The premium increase is contrary to the Financial Conduct Authority's (FCA) 'Principles for Businesses', which require insurers to treat customers fairly, and HDI applying a mid-policy increase without a valid reason is 'arbitrary and disproportionate'.
- He wants confirmation that the premium increase was consistent with HDI's own policies or for HDI to reinstate the premium to £50 per month.

Our Investigator explained what this Service is able to consider in complaints about a policy price increase. He said HDI had acted fairly.

Mr H disagrees and wants an Ombudsman's decision. He said his disagreement wasn't with HDI's overall pricing model but with the fairness and proportionality of how it's been applied in his case. His premium increase couldn't be reasonably justified given his unchanged risk profile.

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 correctly explained that this Service can't tell an insurer what price it should charge for the risks its policies cover, nor tell an insurer what factors an insurer should take into account when assessing those risks. Each insurer will make its assessment in its own way. It's up to insurers to decide what cover they want to provide and the premium they want to charge for that cover, based on the risk they think a customer presents.

We can look into whether we think a consumer has been treated fairly, so I'll consider if there is anything which demonstrates Mr H has been treated differently or less favourably to HDI's other policyholders with the same circumstances.

The 'Terms of Business Arrangement and Important Information' document under the heading of 'Our Fees, Taxes and Charges' for the policy says:

'When you take out a policy with us you will be informed of the total price to be paid, including any fee, taxes and charges...'

Please note:

- *any changes you make to your policy can also increase or decrease your insurance premium'.*

The policy says under the 'Introduction' section:

'Making changes once the policy has started

In the event of a change in your pet details or your details we will amend the premium for the rest of the period of insurance'.

So I think HDI clearly told Mr H that any changes he makes to the policy could affect the price of his policy, which would include a change of address. HDI also told Mr H that if his or his dog's details change it could amend the premiums during the policy year.

HDI has provided confidential business sensitive information to me to explain how Mr H's premium increase was calculated. I'm afraid I can't share this with Mr H because it's commercially sensitive, but I've checked it carefully. I can't provide specific detail about HDI's risk model, but I can say the factor relating to the price increase is the change in Mr H's address.

Mr H says his move to his new home didn't change his and his dog's risk profiles and detailed why he thinks so. But HDI doesn't agree, it does give a different risk rating due to his change of address. It will have accessed lots of data and statistics as part of assessing that risk. As I've said I can't tell HDI how it should assess risk, which is its commercial decision.

Mr H considers the increase in price to be disproportionate but that doesn't have to mean he's been treated unfairly. HDI used a formulaic calculation based on its assessment of risk to calculate Mr H's premium. There's no evidence HDI treated Mr H differently or less favourably than any of its other policyholders with the same circumstances.

There's no evidence that HDI made a mistake in its calculation or treated Mr H unfairly and so I'm not upholding this complaint.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 29 April 2026.

Nicola Sisk
Ombudsman