

The complaint

Miss M complains about increases in the premiums for her pet insurance policy with Allianz Insurance Plc trading as Pet Plan.

What happened

Miss M took out a lifetime pet insurance policy for her dog. The policy was underwritten by Allianz. She bought it online in June 2022 and renewed it in 2023 and 2024. The premium increased at each renewal.

When the policy renewed again in June 2025, Miss M complained that there was a large increase in the premium.

Allianz said the premiums had been calculated in line with its underwriting criteria and Miss M had not been treated any differently from other customers in similar circumstances.

Our investigator said while she couldn't ask Allianz to reduce the premiums, the information provided to Miss M when she initially bought the policy wasn't clear enough about the long-term cost of the policy. She said it was a shock for Miss M when she found out how much the premiums would increase, and asked Allianz to pay compensation of £100.

Allianz disagrees and has requested an ombudsman's decision. It says it acted in line with the relevant regulatory requirements; information was provided to Miss M explaining that premiums can increase significantly; and other complaints referred to the ombudsman about the same issue have not been upheld.

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.

Insurers are generally entitled to decide how much to charge for the insurance cover they provide. And the cost of insuring a pet will generally increase as the pet gets older. It's not my role to tell an insurer how much it should charge customers.

Allianz has explained the factors that affect the premium, which include veterinary fees, location, age, sex, and breed of the pet, together with the risk of recurring conditions and further claims. The premium was calculated on the basis of these factors, and I haven't seen anything to suggest Miss M was treated differently to another policyholder in the same position. I don't think Allianz treated her unfairly when calculating the premium.

I've gone on to consider whether Allianz provided sufficiently clear information to Miss M about what level of premium she could expect to pay.

When Miss M bought the policy, Allianz had a responsibility to provide appropriate and timely information, so she could make an informed decision about whether to buy the insurance. Any information provided needed to be clear, fair and not misleading.

The information sent to Miss M when she bought the policy set out the annual premium, and a breakdown of the monthly payments. At renewal, it also included the comparison with the previous year. I think that information was clear.

But Allianz should have made clear to Miss M when she bought the policy what the longer term cost implications might be.

Allianz has referred to information given in the Insurance Product Information Document (IPID), which said:

“How your premium can change – your pets age, increasing veterinary costs and advancements in veterinary medicine can all affect the premium you pay. These mean your premium will increase over the lifetime of your policy. However, Petplan will not increase your premium as a direct result of any claim you make.”

While the policy documentation explained the premium will go up over time, it didn't provide more information on this. It didn't, for example, explain the significant nature of premium increases for a policy of this type, or say there's no limit on how much the costs might increase. Information included within the online sales journey said the premiums “could” rise significantly – not that they would.

So, while Allianz went some way to explaining the premium would increase, I don't think the information was detailed enough. Allianz wasn't in a position to say exactly how much the future premiums would be – it wouldn't have had that information. But it does know that as the pet gets older, these increases are likely to be significant. It could have provided clear information about that.

Having said that, Miss M was given further information each time she renewed the policy, and the premiums went up at each renewal. She would have been aware of the potential for the cost of the policy to increase significantly in future, but didn't complain about this until 2025. So the further increase at the most renewal, while unwelcome, would have come as less of a surprise to her.

Taking all of these things into account, I agree there would have been some upset for Miss M on finding out how much her premium had increased, and a payment of £100 would be fair to reflect the distress caused by this.

Miss M was also unhappy that the premium was taken from her bank account following renewal. Allianz has explained that the policy renewed automatically to avoid any break in cover. Miss M would have been aware of this from the renewal documents she received, and from previous renewals. As stated above, the renewal documents set out the change in premium clearly. I don't think there was any failing in relation to this.

Allianz has referred to other complaints considered by this Service, which were not upheld. There are also complaints that have been upheld. Each complaint is considered on its own merits, and I've made my decision based on the evidence relating to the sale of this policy.

My final decision

I uphold the complaint and direct Allianz Insurance Plc trading as Pet Plan to pay compensation of £100 for the distress and inconvenience caused to Miss M.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 5 February 2026.

Peter Whiteley
Ombudsman