

## **complaint**

Mr L complains that the increase in premiums for his pet insurance policy with Pinnacle Insurance Plc was unreasonable, and that he should have been offered continuous cover for the same premium.

## **background**

Mr L had an insurance policy for his pet dog. When Pinnacle sent a renewal notice in March 2015 it showed an increase in the premium. Mr L questioned this but Pinnacle said it was correct and took into account factors such as his dog's breed and age, and his postcode.

Mr L found a policy with Pinnacle online for a cheaper price. He asked Pinnacle if they could match the premium for his existing policy with the online quote, but Pinnacle wouldn't do this. So he decided to cancel the old policy and took out the new policy online.

Although the new policy was cheaper, it didn't provide cover for conditions his dog already had, and there were specific exclusions for some conditions.

Mr L complained to Pinnacle. He felt that the increase in the premium was unreasonable and as there was no gap between the old policy and the new one, it should be considered as continuous cover and not have any exclusions.

Pinnacle said the price quoted for the old policy was correct and the exclusions had been applied to the new policy correctly.

As Mr L was still unhappy, he complained to this service. He understood that pre-existing conditions would be excluded on a new policy, but this was exactly the same policy; it was just that it was cheaper to cancel the policy and take out a new one online, which was exactly the same, rather than renew the old policy. He said the cover hadn't changed at all.

Our adjudicator didn't uphold the complaint. He said Pinnacle was entitled to decide what premiums to charge, provided it treated customers fairly. Pinnacle had applied its usual factors when setting the premium and another customer in the same position as Mr L would have been charged the same premium, so he didn't think it was unfair. For there to be continuity of cover, the policy had to be renewed, but Mr L cancelled the policy and took out a new one. And the new policy wasn't the same, as it excluded any previous conditions.

Mr L has requested a review. He says Pinnacle didn't listen to him when he explained why he was unhappy with the increase, and was quick to turn down his request to match the old price, without considering it properly.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

It's not our role to tell insurers how much to charge for their products. Insurers are free to decide which risks they wish to insure, and at what cost. But we can look at whether a customer has been treated fairly and reasonably. The starting point for this is that Pinnacle should treat all customers with the same pricing factors in the same way.

Mr L's old policy provided lifetime cover for conditions, provided the premiums were paid. The premiums were reviewed each year and could be increased.

We asked Pinnacle to explain how the premium was calculated. Pinnacle has explained that it took account of a number of factors, including Mr L's postcode, the age and breed of his dog, and the number of claims made. Any customers with the same pricing factors as Mr L would have had the same increase.

Mr L says he was able to get the same policy online for a lower price, so Pinnacle should match that. But the new policy doesn't cover any pre-existing conditions. And there are specific exclusions for certain conditions that were covered on the old policy. So when Mr L cancelled his old policy and bought a new one, he wasn't continuing with exactly the same cover. His new policy wouldn't cover any conditions his pet already had. And if his dog became ill within the first 28 days of the new policy, that illness wouldn't be covered either. Pinnacle was providing a new policy, with a different level of cover, and was able to set a different premium for that.

I appreciate that Mr L was unhappy with the increased premium, and feels Pinnacle should be able to match the old premium on his new policy. But for the reasons given, I'm satisfied that Pinnacle has treated Mr L fairly.

### **my final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr L to accept or reject my decision before 13 November 2015.

Peter Whiteley  
**ombudsman**