

complaint

Mrs D complains about the increased price of her pet insurance policy with Red Sands Insurance Company (Europe) Limited.

background

Mrs D complained to Red Sands about the premium quoted at renewal. Red Sands said the price had been calculated correctly, taking into account things like Mrs D's dog's claims.

Mrs D then brought her complaint to the Financial Ombudsman Service.

Our adjudicator wasn't satisfied that Red Sands had applied the premium increase fairly and upheld the complaint. Red Sands disagreed with the adjudicator and provided some more information. Our adjudicator requested further details but Red Sands didn't reply. The case has now been passed to me to decide.

my findings

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

An insurer isn't breaching Financial Conduct Authority rules by increasing its prices at renewal. If an insurer believes the risk of a claim is high then it is entitled to charge whatever it wishes, and I think if every policyholder in the same position is treated in the same way, then Red Sands is treating its customers fairly.

Red Sands is entitled to review the price it charges Mrs D every year. This in itself is not unfair.

However, despite a number of requests, Red Sands hasn't been able to explain how Mrs D's premium increase was calculated and what claims were taken into account in doing this. I can't therefore be satisfied that other policyholders with the same risk factors as Mrs D, such as postcode, age and breed of animal, and claims history, would have been charged the same increase.

For this reason, I agree with our adjudicator that Mrs D's complaint should be upheld.

my final decision

My final decision is that I uphold Mrs D's complaint.

Red Sands Insurance Company (Europe) Limited must reduce Mrs D's premium for the 2015 - 2016 policy year to that paid for the 2014 - 2015 policy year. The difference in any premium already paid for the 2015 - 2016 policy year should be refunded to Mrs D together with interest at 8% simple per annum.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 30 October 2015.

Peter Whiteley
ombudsman