

The complaint

Mr E has made a number of complaints against West Bay Insurance Plc (West Bay) relating to the pricing of his pet insurance policy and a delay in processing a claim for the cost of treatment for his dog.

References herein to West Bay include its agents and administrators.

What happened

In March 2022, Mr E took out insurance for his pet dog who I'll refer to as "F " via a price comparison website. Mr E has said that when it came to stating F's breed, this wasn't given as an available option, so Mr E selected an alternative category of "crossbreed" as his dog's breed, although a recognised breed in its own right, is a cross between two other breeds. West Bay issued a policy on the basis of this information.

In October 2022, Mr E made a claim when F became sick with gastroenteritis. Her treatment cost around £1,000. It was during the claim process that West Bay noted F's specific breed. This was a breed for which a higher premium would've been charged from inception if West Bay had been given the correct information.

West Bay therefore amended Mr E's premium and backdated this to the policy's inception. It took a payment from him of £206.51 without notifying him directly.

Mr E's claim was initially submitted via his vets in late October 2022. When West Bay said it hadn't received the claim it was re-sent on 3 November 2022. Mr E was told that claims were delayed, and it would take up to 28 days for him to receive an outcome. He didn't receive a response to his claim until 12 December 2022.

Mr E complained to West Bay about three issues.

1. The increase in his premium because of the correction to F's breed.

Mr E argues that he had no option to specify F's breed when taking out his policy and at no point was he asked to confirm it until he made a claim. This resulted in an increase in premium from £25.16 to £45.31 per month. He says that had he known when he took out his policy that it would cost him £45.31, he would've gone with another provider. He says that as he has now made a claim, he feels trapped into paying a higher premium. He feels the right outcome would be for his premiums to continue to be based on the crossbreed rate. West Bay's response to Mr E's complaint was that a pet's breed is one of the factors used to price a policy and when F's policy was updated with her specific breed the premium increased and this couldn't be changed.

2. The backdating of his increased premium.

Mr E is unhappy that the increase in premium was only communicated to him through West Bay's portal. Had he been notified by email or informed by email that there was a new

message on his portal, he could've avoided the mistake of the backdating of his premium and the shock of seeing that an additional £181.35 had been taken from his bank account.

West Bay agreed that it shouldn't have taken this payment and refunded it to Mr E on 9 December 2022. It has now applied the increased premium only from the date upon which it knew F's correct breed.

3. The delay in processing his claim

When Mr E hadn't received a response to his claim by 9 December 2022, he raised a further complaint about the delay in giving him a decision on his claim. This delay caused him considerable stress as he was by then £1,000 out of pocket.

In a response to Mr E on 9 December 2022, West Bay referred to a call made to it by Mr E on 2 December which acknowledged that the claim had at that time gone over the 4-week time frame for consideration of claims so his claim would be prioritised. It said that priority assessments are completed within 2-3 working days. It took a further 5 working days for Mr E to receive a response. So although West Bay paid Mr E's claim, this was not within the timeframe it had indicated.

In its final response to Mr E's complaint, West Bay apologised for the payment error. It also sent Mr E £75 by way of an apology for the delay in the processing of his claim.

Mr E wasn't satisfied with West Bay's response to his complaint and brought it to this service. He wants West Bay to increase his compensation and to revert his monthly premiums back to the price paid at policy inception with yearly reviews calculated from this price.

Our investigator's view was that although things could have gone better at times, he considered that West Bay had acted reasonably in addressing Mr E's concerns and that the apology it had provided was sufficient redress.

Mr E isn't satisfied with our investigator's view and has asked that his complaint be referred to an ombudsman. It's therefore been referred to me to provide a final decision from this service.

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.

Having done so, I'm upholding Mr E's complaints in part. I'll refer to each of these in turn.

In relation to the Mr E's complaint about the increase in premium when it was made aware of F's correct breed, I'm not upholding this complaint and I'll explain why.

It is customary for insurers to charge different premiums for different breeds of dog because of the differing risks of claims between breeds. If an insurer prices a policy on the basis of a dog being of a particular breed, or of no specific breed, and the dog is actually another breed, that can impact on the insurer's risk and consequently the premium it would charge. So it is reasonable for a correction to a premium to be made in those circumstances. It is likely that other insurers would act in a similar manner.

Mr E's argument is in essence that it wasn't his fault that F was described as a crossbreed when he applied for his policy. He says that there was no provision to specify F's breed

when he initially selected the policy as it wasn't shown as an option. He therefore chose "crossbreed" as this was technically correct.

I've visited the price comparison website that Mr E used and conducted a dummy enquiry. It asks the question "*Is (dog's name) a crossbreed?*", with a Yes/No answer option. Beside this question is a symbol indicating that information is available. On clicking this, the following appears (with some wording highlighted in bold):

"Sometimes when crossbreeds are bred together for a long time they are eventually considered a new pedigree breed so if you are unsure, select "No" and check if your dog's breed is listed. If your dog's breed isn't listed as a pedigree or if you don't know the breed of your dog, select "Yes"."

Mr E says he clicked "Yes". If "No" is selected, another box appears asking for the dog's breed. It asks for the first three letters of the breed, upon which a number of breeds that start with those letters appears in a drop-down menu. This list includes F's breed. It's a breed that is now well recognised as a breed in its own right and the option was there to select it. There was no need for Mr E to have said that F was a crossbreed.

Further, on 2 March 2022, after he'd taken out his policy, Mr E was sent an introduction email which gave him access to his policy documents and included the following instruction:

3. *Check your Schedule and Statement of Fact and inform us in the first instance if any details are incorrect. Failure to do so could result in a claim not being paid.*

Mr E's Policy Schedule shows F's breed as "*small crossbreed*". The Statement of Fact also records F as a "*small crossbreed*" and further states (my emphasis underlined):

"Your Statement of Fact shows the cover you have selected and is a record of the information and answers provided which have been used by the insurers to assess and accept the risk.

We can only accept accurate and factually correct information to allow us to provide you with cover. This will ensure:

- there are no complications or delays during the claims process.*
- it is not cancelled due to misrepresentation leaving your pet uninsured and at risk.*

Please take reasonable care to ensure all questions have been answered honestly and to the best of your knowledge. If you don't, your policy may be cancelled or treated as if it never existed or your claim rejected or not fully paid.

Please check this Statement of Fact. If any information is incorrect or has changed from the application date or at any time since, you will need to let us know immediately. You will be informed of any changes in the premium and a revised Statement of Fact will be issued to you."

I consider that Mr E was aware of F's breed as he's said he couldn't find it listed, and so opted instead for "crossbreed", the implication being that he would've selected F's breed if it had been available for selection. I'm satisfied that it was available and that there was guidance in the application form that he could have followed.

If, following receipt of his Policy Schedule and Statement of fact, Mr E had contacted West Bay to provide F's specific breed, he would've been informed of the additional premium

required. Other insurers are likely to have acted in a similar manner. He could've then cancelled the policy during his 14-day cooling off period.

Given the warning contained in the Statement of Fact, West Bay would've been within its rights to reject Mr E's claim. Instead in my view it acted reasonably in allowing a change to F's breed for an adjustment of premium to what it would have been had correct information been given. Alternatively, it could've pro-rated Mr E's claim and paid only a proportion of it, that being the same proportion as his original premium bore to his new premium.

So my conclusion in relation to this complaint is that West Bay has acted reasonably given the incorrect information upon which it based Mr E's premium.

Turning to Mr E's complaint about West Bay taking the additional premium, West Bay has acknowledged that this was an error on its part and corrected this by refunding it and issuing an apology. I accept Mr E's point that to inform him of this payment via his portal was not a method likely to bring this promptly to his attention. However he was informed, so I'm not upholding this complaint.

With regard to Mr E's complaint about the delay in processing his claim, I can quite understand his concern. He was faced with a liability to his vets for over £1,000 and would've been anxious about this. West Bay didn't process his claim in line with its expressed timescale. Mr E expected a response by no later than 5 December and West Bay didn't respond until 9 December. I'm upholding this complaint.

I don't consider that West Bay has acted as fairly as it might have done towards Mr E in the slow processing of his claim, but it has apologised and has paid him £75 by way of compensation. I consider this to be fair as a resolution of Mr E's complaint and in line with the levels of compensation this service would award in similar circumstances. I'm therefore not going to require it to do anything more.

My final decision

For the reasons I've given above I'm partially upholding Mr E's complaints but I don't require West Bay Insurance Ltd to do anything more than it has already done.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 30 August 2023.

Nigel Bremner
Ombudsman