

The complaint

Miss M complains about Great Lakes Insurance SE (“GLI”) and their pricing of the premium she paid for her pet insurance policy. Miss M also complains about the service she received from GLI when she questioned this premium, and their refusal to provide her with a loyalty discount.

What happened

In October 2019, Miss M purchased a pet insurance policy underwritten by GLI to cover her dog, who I’ll refer to as “R”. This policy renewed yearly. But in October 2022, Miss M was unhappy with the increase in premium from the year before and so, she contacted GLI to complain about this.

On the complaint call, GLI ascertained that R had been spayed in January 2020, but the policy information hadn’t been updated to reflect this. So, they applied the spaying reduction to her renewal premium for 2022. And, as a gesture of goodwill, they backdated this reduction to the applicable premiums Miss M paid for previous policies. But Miss M remained unhappy.

She was unhappy that GLI refused to apply a loyalty discount, and that GLI hadn’t called her back on the day her renewal was due as she’d expected. Miss M also queried the premium refund GLI put forward, as she didn’t think it was calculated correctly and she stated it also hadn’t been received. So, because of all the above, Miss M wanted GLI to recalculate the premium refunds in a way she thought was correct and to compensate her for the distress and inconvenience she’d been caused.

GLI felt Miss M’s premiums had been calculated correctly, based on the information they held at the time the renewals were calculated. But they accepted they could’ve processed the premium refund to Miss M sooner, once they’d been made aware R was spayed. So, they apologised for this. But they didn’t think they needed to do anything more, considering the refund had been paid. Miss M remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and didn’t uphold it. They explained they had seen GLI’s pricing data, and they were satisfied Miss M’s premiums had been priced fairly, including the premium refund for the spaying reduction applied in 2022. And while they recognised Miss M expected a call from GLI on the date of her renewal, they thought GLI had continued to liaise with Miss M through email, in a timely manner. And, that they had confirmed the adjusted premium sent by email contained a typo in a reasonable amount of time. So, they didn’t think GLI needed to do anything more than the apology already offered.

Miss M didn’t agree. And she provided several reasons as to why. These included, and are not limited to, her belief that GLI has purposefully not called her back until the policy had renewed. And, that this failure to call her back had impacted her in a way that should be compensated financially. She also maintained her belief this reduction applied retrospectively for R’s spaying was done so incorrectly.

Our investigator considered these comments. And they listened to the original complaint call Miss M held with GLI when she felt a call back was promised. And while they agreed it was, our investigator didn't think a definitive timescale was provided. And they thought GLI had continued to correspond with Miss M in writing. So, their opinion remained the same. Miss M continued to disagree and so, the complaint has been passed to me for a decision.

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 not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Miss M. I appreciate Miss M feels strongly about the way her premium refund has been calculated, and I acknowledge why, because of her professional background, she feels this way. I also recognise Miss M's thoughts regarding her loyalty as a customer, and why this should come with a monetary value to her. So, as GLI have refused to increase the refund paid to Miss M, or offer any further discounts or reductions, I can understand why she feels unfairly treated. And I acknowledge how this feeling would've intensified when Miss M didn't receive a call back as she expected.

But for me to say GLI should do something more than they have already, I'd need to be satisfied they've done something wrong that hasn't already been fairly acknowledge and compensated for. So, I'd need to be satisfied the way they calculated Miss M's premiums, or the premium refund, was incorrect. Or, that Miss M has been impacted in a way that hasn't been acknowledged by the actions GLI have taken. And in this situation, I don't think that's the case.

I've first thought about the pricing of Miss M's premiums. I've seen GLI's pricing data, which shows how Miss M's premiums were calculated from inception to the renewal in October 2022. And while this information can't be shared directly, as it's commercially sensitive, what I can say is it shows each premium starts from a base premium, that is applicable to every policy that holds that level of cover. So, while I recognise Miss M thinks the base premium for a renewal is directly linked to the previous year's premium, and any reductions applied, I've seen evidence to show this isn't the case here.

And from this pricing data, I've seen that there are several risk factors that are then considered, which ultimately lead to the premium price that's offered. GLI have confirmed that, from mid-2020, whether a pet was spayed or not was deemed a risk factor and so, impacted the premium offered.

And I've seen in Miss M's situations specifically, R wasn't listed as spayed at renewal in 2020, or 2021, meaning she paid a slightly increased premium as the risk factor was increased. But as R was spayed at this time, I can understand why Miss M feels this is unfair.

But crucially, I don't think GLI had any way of knowing R was spayed until Miss M made them aware of this in 2022. And in the policy documents Miss M received in her previous renewals, I've seen it clearly states that *"You must tell us as soon as possible if your pet's details are wrong or change at any point. For example, you move home, your pet was spayed or neutered, or your pet's age is incorrect. If your situation changes, this may affect*

your premiums.”

So, I think the onus was on Miss M to make GLI aware that R had been spayed. And I can't see that she did until October 2022. So, I don't think I can say the premiums Miss R was charged for her previous policies were calculated unfairly. And I think that GLI have acted more than fairly by agreeing to back date this information to 2020, when spaying became a risk factor and after R had been spayed, when I don't think they were obliged to do so.

And I think this premium refund, which I've seen was processed and paid on 8 November 2022, was calculated correctly, on the basis each premium started with a base premium as I've already explained to above. I was also pleased to see Miss M's premium for the renewal in October 2022 was amended, and the premium she paid was correct based on the base premium for that policy year and the risk factors applicable, including the reduction for the fact R was spayed.

So, because of the above, based on the information I've seen, I think the policy premiums Miss M has paid were calculated fairly. I note Miss M feels a loyalty discount should've been offered but GLI have confirmed this isn't something they offer any customer and crucially, this isn't something they are obliged to do. GLI have confirmed, and did so in conversations with Miss M, that she could alter the terms of her cover to increase her excess, or reduce the amount insured, to reduce the premium if she wished to do so. From what I've seen, Miss M didn't take up this option and this was her own choice to do so. Because of the above, I don't think GLI need to do anything more regarding this aspect of the complaint.

I've then turned to the service GLI provided. I note Miss G is unhappy with GLI's failure to call her back, stating her belief this was done purposefully to ensure her renewal date passed.

But I note Miss M received her renewal invitation by email on 14 September 2022, explaining her policy would renew on 12 October. And Miss M contacted GLI to challenge her premium on 11 October, the day before it was due to renew.

So, at this point, Miss M only allowed GLI a working day to consider, and respond, to her concerns. And I don't think it would be fair for me to expect GLI to do so, considering by this point Miss M had already had three weeks to raise her challenge.

I've also listened to the call Miss M held with GLI on 11 October. And on this call, while GLI did say they would ask the relevant team to contact Miss M, they didn't confirm when this contact would be. And I've seen Miss M emailed GLI the following day querying the premium price, with GLI responding within 2 hours explaining there had been a typo in the email sent the day before, confirming what the correct price was. And they also explained at this point that a call from the relevant team could take up to 7 days to receive.

So, while I do accept Miss M may have assumed a call back would be instantaneous, I don't think this is an expectation GLI unfairly created. Nor do I think their failure to call back had a significant impact on Miss M, as she still spoke to GLI on the day of renewal where the premium price was confirmed. Had Miss M not wanted to continue at this price, she had the chance to cancel the renewal. But I can't see she did.

And then following the renewal processing, I've seen Miss M referred explicitly to her right to withdraw from the agreement within 14 days without charge. And again, I can't see Miss M did. And this was after GLI had already confirmed, on the phone call and in writing, that they would not look to offer a loyalty discount and that they were satisfied the premium was correct. So, I don't think I've seen any evidence to show that GLI acted unfairly, or purposefully slowly, to influence Miss M's decision to remain insured with them.

Even so, I can see GLI offered an apology for the length of time it took them to process a refund of Miss M's premiums paid on previous policies where the spaying wasn't declared. But I've already explained above I don't think this was something they needed to do. And I think this action was taken as part of their response to Miss M's complaint about the premium pricing. And businesses have up to eight weeks to investigate, and respond, to a customer complaint. I must note our service is also unable to comment on, or compensate a customer for, the way a business handles a complaint as complaints handling isn't a regulated activity.

So, because of all the above, I don't think I'm able to say GLI have acted unfairly, and so caused an impact to Miss M, that requires them to do anything more on this occasion.

I understand this won't be the outcome Miss M was hoping for. And I recognise my decision may not have commented or referred directly to every point and comment Miss M has put forward. I want to reassure Miss M I've considered all the representations she's made but for all the reasons I've listed above, I'm not upholding the complaint on this occasion.

My final decision

For the reasons outlined above, I don't uphold Miss M's complaint about Great Lakes Insurance SE.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 28 November 2023.

Josh Haskey
Ombudsman