

## The complaint

Mrs H has complained that Allianz Insurance Plc unfairly excluded third party liability cover and was charging too much for her pet insurance policy.

## What happened

Mrs H took out insurance for her dog with Allianz in 2019. On renewal in 2022 Allianz said following some aggressive behaviour towards other dogs it would no longer include third party liability cover as part of the policy. It said it would review the exclusion in two years from the date of the last aggressive incident subject to certain conditions.

Mrs H thought that the premium should be reduced as a result since it reduced the risks underwritten by the policy. She thinks Allianz took advantage of the fact that she would have found it difficult to find reasonable alternative cover because of her dog's pre-existing conditions.

Allianz said it wouldn't reduce the premium as the policy would still provide £7,000 of cover each policy year and the premium took into account the dog's age, breed, gender, location, insurance premium tax and veterinary fee inflation.

Mrs H explained that she was putting a muzzle on the dog while he was off the lead. Allianz didn't change its position. It said this wasn't a long-term solution to correct the dog's behaviour.

Mrs H brought her complaint to this service. Our Investigator didn't recommend that it be upheld. He thought Allianz had treated Mrs H in the same way as it would have any other customer in similar circumstances.

As Mrs H didn't agree, the matter has been referred to me.

## 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.

It's for an insurer to decide what risks it wants to cover. That isn't something we would generally interfere with. But what I will consider is whether it reached that decision fairly.

The policy says:

*"For dogs, at renewal **we** can limit or remove Third Party Liability cover based on a review of **your dog's** behaviour. For example, (but not limited to) any aggressive tendencies shown, any incidents where **your dog** has caused injury to a person/another animal or any health conditions which can affect how **your dog** behaves."*

Before renewal of the policy Allianz asked Mrs H to tell it whether the dog had attacked, bitten or been aggressive towards another person or animal. Mrs H's husband told Allianz

that the dog had bitten another dog resulting in the owner of the other dog making a claim for the minor injuries suffered by their dog. The dog had also shown signs of aggression to another dog some months previously.

If an insurer thinks the risk of a policyholder needing to make a claim has gone up for some reason, it isn't unreasonable for it to decide to change the policy cover. It isn't in dispute that Mrs H's dog had been aggressive towards other dogs on more than one occasion. Allianz has provided us with a copy of its underwriting criteria which says that third party liability will be excluded if the dog has shown aggressive behaviour. In other words, if another customer's dog had a similar history, it would have made the same exclusion for third party liability. So, I don't think Allianz treated Mrs H unfairly in deciding not to provide third party liability cover going forward.

With regard to the premium, I've reviewed the information Allianz has sent us about this. As it is commercially sensitive information, I won't be sharing that with Mrs H. But I am satisfied that the exclusion of third party liability didn't affect the price Allianz charged Mrs H. She may well have thought that a reduction in cover should lead to a lower premium but that's not how Allianz priced the policy. Taking account of the information from Allianz about how it priced Mrs H's policy, I'm satisfied that she hasn't been treated unfairly.

### **My final decision**

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 1 August 2023.

Elizabeth Grant  
**Ombudsman**