

The complaint

Mrs D has complained about the price charged by Wakam to renew her pet insurance policy and the poor service she received.

Wakam as the underwriter of the insurance policy is responsible for the complaint and references to Wakam include its agents.

What happened

When Mrs D took out a pet insurance policy for her two cats in August 2022, the premium was £400.72. By July 2022 the insurer under the policy had changed to Wakam and it quoted £798.09 to renew the policy on the same terms. The policy covers vet fees up to £15,000 a year.

On 14 July 2023 Mrs D called Wakam to complain about the amount of the increase in premium as she is disabled and on a limited budget. Wakam told Mrs D that she could reduce the level of cover which would lower the premium. It gave her some examples of how she could bring the premium down by reducing the cover. She could have paid a premium of £379.54 but that would have meant she'd have £3,000 cover and lose certain benefits such as cover for travelling abroad. It said it would email her the quotes.

On 25 July Mrs D rang Wakam again as she hadn't received an email with the revised quotes. She says she was promised a call-back that day but she didn't receive one.

Wakam confirmed the quotes by an email dated 26 July 2023.

Mrs D was also unhappy with the service she'd received from Wakam. In particular, she'd been told by one call handler that he thought policies wouldn't increase by more than 80%. That turned out to be incorrect.

Wakam said that higher vet fees were a big part of the increase for all customers but on top of this it took into consideration the pet's risk, including any claims made in the previous year. It said Mrs D's premium remained fair for the cover she had. It also said the only way to reduce the premium would be to increase the excess, add a co-payment or move to a different level of cover. It apologised that she might have been left with the impression that the premium could be reduced without changing the policy at all.

Mrs D brought her complaint to this service. Our Investigator didn't recommend that the complaint be upheld. She was satisfied that Wakam hadn't treated Mrs D unfairly with regard to the premium. She also thought an apology was sufficient for the service issues Mrs D had experienced.

As Mrs D 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.

Given the significant increase in Mrs D's premium, I can understand her concerns. Nonetheless I am not upholding her complaint. I'll explain why.

As our Investigator pointed out, Wakam only became the underwriter of the policy after the policy was taken out in 2022 and before renewal in 2023. Each insurer has its own way of assessing risks and pricing policies. It's likely that this change contributed to the particularly high increase in Mrs D's premium.

Insurers are entitled to decide how much to charge for the risks they cover and that will be based on the risk a customer presents. As this is a commercial decision, I don't have the power to tell an insurer what its policy should cost. So I can't say that the cost of Mrs D's policy is too high or that she should be charged less. Instead, I can consider whether the premium has been calculated correctly and whether Mrs D has been treated the same as any other customer with the same circumstances.

I need to be satisfied that Mrs D hasn't been singled out in any way and that Wakam has treated all comparable customers fairly and equally. I've carefully reviewed the commercially sensitive information Wakam has sent us and I haven't seen any evidence to suggest it has treated Mrs D any differently from how it would have treated any other customer in the same position. So I'm not persuaded Wakam has treated Mrs D unfairly.

I've also looked at the service Mrs D received from Wakam. I can see that on 14 July its call handler promised to send her some quotes by email. It was reasonable for Mrs D to assume that the quotes would be sent shortly but in fact those quotes weren't actually sent until 12 days later. On 25 July Mrs D called Wakam again. The call handler on that occasion promised to call her back after speaking to his team leader regarding the premium increase as he thought premiums wouldn't be increased by more than 80%. At the end of the following day Mrs D called Wakam again to complain that she hadn't had a call back. Wakam tried to call Mrs D back on 28 July but she wasn't available then. She asked Wakam to contact her on 31 July. On 1 August she chased Wakam again and it called her back on 3 August.

I appreciate all this must have been frustrating for Mrs D. Her hopes had been raised that the premium couldn't be capped by more than 80% but that turned out to be incorrect. Wakam also failed to call her back as promised and she had to chase it several times. Wakam has said it would pass on feedback for training and it also apologised to Mrs D. I think that is a reasonable way of responding in this instance.

My final decision

For the reasons given above, I'm not upholding Mrs D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 4 January 2024.

Elizabeth Grant
Ombudsman