

## **The complaint**

Mr S has complained about the way that Casualty & General Insurance Company (Europe) Ltd (C&G) renewed his pet insurance policy.

## **What happened**

Mr S took out a pet insurance policy with C&G which was due to renew on 20 February 2023. Under the policy he was covered for vet fees of £8,000 a year.

On 21 January 2023 C&G sent Mr S a renewal notice. The premium quoted had increased from £25 a month to £29.94.

Mr S spoke to C&G a few days later as he wasn't happy with the renewal premium. C&G refused to reduce the premium leading Mr S to make a complaint about that. C&G wrote to Mr S explaining that his dog's age was the biggest influence on the price but other factors might apply such as inflation, location, breed and claim history. It told him how to opt out of renewal if he should decide to do so.

Mr S contacted C&G on 20 February after receiving notification that the policy had renewed. He said he was still in the process of disputing the amount of the premium and complaining about C&G's service. He thought he should continue to pay the existing price until that had been resolved.

C&G replied the same day to say that as Mr S hadn't opted out of renewal, the policy had been renewed and would continue at the higher premium if the policy remained in force.

In the renewal notice sent in January C&G referred to cover for vet fees of £8,000 a month. On 8 March it apologised for that mistake and said the cover was £8,000 a year. Mr S said he would like to accept the offer of cover of £8,000 a month at the price quoted as that would justify the price increase. C&G refused and said the original renewal terms applied except that the cover was £8,000 a year.

As C&G didn't change its decision, Mr S brought a complaint to this service. Our investigator didn't recommend that the complaint be upheld. He didn't think C&G had treated Mr S unfairly.

As Mr S 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.

Mr S has made a number of detailed points. While I've considered them all, I'll focus on what I see as the central issues in order to resolve this complaint.

With regard to the premium increase, it's important to realise it's not the role of this service to tell a business what to charge for the risk it's insuring. As a result, I'm not able to make a decision on whether the premium charged by C&G on renewal was excessive as it's entitled to charge Mr S whatever premium it considers reasonable. The main reason for the increase was his dog's age but other factors such as inflation, location, breed and claim history also influenced the price. I haven't seen anything to suggest that Mr S has been treated differently from any other policyholder in a similar situation with regard to the amount of his premium increase. That means I can't say that C&G acted unfairly when it determined the premium on renewal.

In the renewal notice C&G told Mr S:

*"Your policy will renew automatically, so you don't have to worry about filling out any forms.*

*Please be aware that you'll get an email confirming the end of your previous direct debit in the next 30 days. You don't need to do anything, you'll get a new direct debit confirmation email after your renewal date.*

*If you want to check or change your policy, or opt out of renewal, you can do this in your dashboard."*

This was in line with the terms of the policy which said under the heading "Renewing and adjustments to your policy":

*"Your policy is a yearly contract of insurance with no guarantee we will offer a new contract each year. If we offer to renew your policy we may change the premium, amend your policy terms and conditions, the excess and the cover limits.*

*If we hold current and valid payment details for you and we offer to renew your policy your policy will automatically renew.*

...

*If you do not want your policy to automatically renew you must tell us."*

There was more detail given about how to opt out of the automatic renewal in the online chat between Mr S and C&G.

At the time Mr S's policy renewed, he still had an outstanding complaint with C&G. However, that didn't mean that he was entitled to have his policy renewed at the previous year's premium. I think C&G had made it plain to Mr S that his policy would automatically renew at the new premium rate unless he took action to stop it. It also told him how to stop the renewal from going ahead. Since Mr S took no action to stop the renewal, I don't think C&G has treated him unfairly by renewing the policy and charging the increased premium previously quoted to him.

Mr S is also unhappy that C&G didn't tell him he could reduce the amount of cover in order to reduce his premium. In the section of the policy quoted above C&G goes on to say:

*"You are free to amend your policy product type (either increase or decrease coverage) at any stage during the policy year. Please note that any changes will take effect after 10 days and an additional premium or a refund of premium may be due."*

It also told him in the renewal letter he could check or change his policy by going into his dashboard. It may be that Mr S didn't realise the significance of this statement. But I think it's reasonable to look at this as an invitation for him to review his cover. I think most policyholders would understand that they pay less if their cover is downgraded. So I think C&G did enough to point this out to Mr S.

C&G has accepted it made a mistake in offering in the renewal notice cover of £8,000 a month for vet fees. It's not clear what financial loss Mr S suffered as a result of this mistake. There's no evidence that this level of cover was important to him. I accept that he might have shopped around but there's no mechanism we can use to find out what the market would have quoted Mr S at the time of renewal and whether he could have got better terms from another insurer. So there's no evidence of a quantifiable loss to Mr S from him having being quoted the incorrect level of cover in the renewal notice, although I appreciate that such a mistake can be annoying for policyholders.

### **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 Mr S to accept or reject my decision before 18 September 2023.

Elizabeth Grant  
**Ombudsman**