

The complaint

Miss H complains that Wakam provided poor customer service when she enquired about her renewal premium.

Where I refer to Wakam, this includes the actions of its agents and claims handlers for which it takes responsibility.

What happened

The detailed background to this complaint is well known to both parties, so I'll only summarise the key events here.

In December 2023, Miss H received her renewal notice advising that her pet insurance policy would automatically renew in January 2024. The cost of the policy had increased by approximately £30 per month.

Miss H sent Wakam an email raising concerns about the cost of the policy and querying whether the excess could be altered to reduce the premiums. When she didn't receive a response other than an automated acknowledgement, she emailed again highlighting the urgency as her policy was due to renew shortly.

Despite many emails being sent by Miss H during January and February 2024, including a request to raise a complaint, Wakam failed to respond. Yet, it did email Miss M to inform her that her policy had renewed, and that the premium had been taken from her account.

Wakam responded to Miss H's complaint in March 2024. It explained why the policy premium had increased and provided assurances that it had given Miss H the best possible price for the level of cover she has. But that if she wanted to amend her policy cover or the excess, it would call her to arrange this and backdate any policy adjustment.

Wakam apologised for its delays in responding which it said was due to a high volume of emails and that it was training new staff to help reduce response times.

Miss H responded to Wakam with the date and time she'd be available for a call. But she didn't receive an email or a call back in response. So she brought her complaint to our Service. Wakam has told us Miss H's email was found unactioned in its archive folder, for which it provides a further apology.

Our Investigator didn't uphold Miss H's complaint. She acknowledged that Wakam had provided a poor level of customer service, but she didn't think Miss H had done enough to mitigate the impact this had on her. She felt Miss H could've called Wakam for a quicker response.

Miss H doesn't agree with our Investigator, her main points being:

- She works long hours and has little free time to call and wait on hold for indefinite periods of time. Her preferred method of communication is email.

- Wakam provide the email address as a communication option. The automated acknowledgement didn't inform her that she needed to contact Wakam in a different way or that the email address wasn't available.
- Wakam is continuously advertising its policies to new customers. If it doesn't have enough staff to support its existing customers, it's unreasonable for it to seek more.
- She'd raised a complaint previously about Wakam's customer service, which was upheld. So this isn't the first time she's been let down and there's been no improvement since.

The complaint was passed to me to decide. And I issued the following provisional decision.

My provisional decision

It's not in dispute that Wakam's customer service wasn't to the standard which Miss H could reasonably expect to receive. Wakam has apologised for this. It acknowledges that it doesn't have enough staff to deal with the volumes of emails it receives and provide timely responses to its customers – which isn't acceptable.

So I don't need to decide whether Wakam has done something wrong – it has. What I need to decide is whether it's done enough to put things right.

So far, Wakam has offered to call Miss H to go through her policy cover to see if any adjustments will bring down the premiums. But despite Miss H's acceptance of this offer, it hasn't materialised – even two months after it told us it found Miss H's email in its archive. On that basis, I can't see that Wakam has done anything to put things right.

I've thought about whether Miss H should be compensated for what's gone wrong here. Compensation isn't intended to fine or punish a business, it's to recognise the impact the business' actions have had on its customer. So I've thought about how Miss H has been impacted by Wakam's actions – or inactions as is the case here.

Miss H has had to send multiple emails to Wakam and raise a complaint in order to get a response to her question about whether altering the excess will reduce the premiums. She still doesn't have an answer to this question and her policy has renewed at an increased price – which she hadn't agreed to.

I've no doubt this experience would've caused Miss H some distress and a great deal of inconvenience. Whilst I accept that Miss H could've called Wakam to speed things up, she's opted to email as this better suits her work pattern. And I'm not persuaded she should be disadvantaged by her communication preference. For this reason, I intend to award compensation of £150.

Responses to my provisional decision

Miss H has provided the following comments:

- If Wakam were to review the policy premiums now, nine months after the policy renewed, it will have the benefit of hindsight including a claim she made in March 2024.
- Wakam did pay relevant costs for the claim.

- She's concerned Wakam will cancel her policy as a result of this complaint.
- Due to her dog's pre-existing conditions, she doesn't have the luxury of shopping around for cheaper insurance.

Wakam says:

- It's no longer able to offer alternative options to bring down the cost of the premiums due to the policy being too close to the end of the current policy year. In addition, Miss H has made successful claims.

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 remain satisfied that the complaint should be upheld. I've thought about how Wakam should put things right in light of the fact that Miss H has now missed out on having her premiums reduced.

Where a business has done something wrong or unfair, our role is to ensure the business puts the customer back in the position they would've been in had everything been done correctly.

In this case, had Wakam dealt with Miss H's emails in a timely manner, she would've been able to discuss alternative policy options to bring down the cost of her premiums.

But I can't say with any certainty what reduction she would've received, if any, and it's likely her excess would've increased as a result. Because of these factors, Miss H's consequential losses aren't possible to calculate with any degree of accuracy.

For this reason, I'm awarding compensation in recognition of these losses in addition to the compensation I've awarded for distress and inconvenience.

I appreciate Miss H is concerned that Wakam will cancel her policy as a result of this complaint. But I haven't seen anything to suggest it intends to do so and if it does, she's entitled to raise a complaint about that and bring it to our Service in the same way she has this one.

My final decision

For the reasons I've explained, I uphold this complaint and direct Wakam to:

- pay £300 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 1 October 2024.

Sheryl Sibley
Ombudsman