

The complaint

Mr M complains that Atlanta Insurance Intermediaries Limited (Atlanta) should've arranged a lower priced premium for his motor insurance policy.

What happened

Mr M arranged his motor insurance through his broker, Atlanta, between 2020 and 2023. When he received his renewal documents for the 2023-2024 policy year he noticed the premium had increased dramatically. It increased from £1,409 to £6,424. He called Atlanta to make sure this wasn't a mistake. But he was told it wasn't. This was the best price Atlanta was able to offer from its panel of insurers.

Mr M says he visited a comparison website to see what other insurers quoted. He says he obtained over twenty quotes, and the highest quote was for just over £3,000. He says he has no motoring convictions and finds it appalling that his premium could increase to this level.

In its final complaint response Atlanta says as a broker it has a limited number of underwriters on its panel. Each of these makes its own consideration of the risk each customer presents and confirms the premium its prepared to offer. Atlanta says it applies its own fees on top of the premium offered.

Atlanta says the insurer Mr M was with in the previous policy year was unable to offer cover at renewal. Another insurer on its panel offered a premium of £6,301.20. With its fees this came to the figure it offered Mr M, which was £6,421.61. Atlanta says this was the most competitive price it was able to offer from its panel of insurers. It says the increase wasn't due to its broker fees but was due to the premium quoted by its insurer.

In its complaint response Atlanta says Mr M was presented with information that enabled him to choose whether to renew his policy, or to seek alternative cover.

Mr M didn't think he'd been treated fairly. He says his complaint is that Atlanta as his broker should've been able to get a better price for him from its panel of insurers. Because he remained dissatisfied Mr M referred the matter to our service. Our investigator didn't uphold his complaint. She says Atlanta's role was to obtain renewal quotations and place Mr M's business with the insurer that met his needs, at the best price.

Our investigator says Atlanta wasn't able to provide the quotes it obtained for the renewal. But it re-ran the quotation, which showed what its panel of insurers were prepared to offer now. This showed the same insurer Atlanta had used in its renewal quote was prepared to offer cover, and it was offering the lowest price.

Our investigator didn't think it was unreasonable for Atlanta to offer autorenewal of Mr M's policy. She says Atlanta informed Mr M he could choose to decline its offer of cover, which is what he did.

Mr M didn't think this outcome was fair and asked for an ombudsman to consider his complaint.

It has been passed to me to decide.

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 Mr M's complaint. Let me explain.

I can understand Mr M's disappointed and surprise when he received his renewal quote in July 2023. This was around £5,000 more than he had been paying in previous years through Atlanta. However, Atlanta wasn't responsible for the price at which Mr M's premium was set. Its role is to communicate Mr M's details to its panel of insurers who decide whether to offer cover, and at what premium.

All insurers will have their own appetite for risk and apply their own criteria when calculating premiums. We don't think this is unfair. A customer isn't obliged to take a policy with a particular insurer. However, we do expect that a customer is provided with clear information so that they can make an informed decision.

I can see that Atlanta wrote to Mr M on 20 July 2023. This sets out his renewal premium for £6,421.61. It asks that he reads the document pack to ensure the policy meets his needs. The first page says the policy will automatically renew and a payment will be taken on 7 August. The next page of the pack includes the heading, "*Don't want us to automatically renew your policy*". It then provides contact methods for Mr M to cancel the renewal.

I think this information is clear. Mr M was able to cancel the renewal by contacting Atlanta. I note his comments that his premium would've been collected had he not made contact. But this didn't happen. I think he was given sufficient notice to be able to cancel the renewal.

I've looked at the information Atlanta provided showing the more recent quotation it processed for information purposes. The prices showing are now higher than at the renewal date in August 2023. The insurer used in Mr M's renewal quote is still offering cover. But the majority of the insurers declined to offer a policy for varying reasons.

As discussed Atlanta's role was to obtain a quote for cover that met Mr M's needs at the lowest price. From the information I've seen this is what it did. The renewal information was clear. Mr M was made aware of the renewal date and what he needed to do to cancel. This is what he did. Based on this I don't think Atlanta did anything wrong. It isn't responsible for the underwriting criteria applied by the insurers on its panel. Mr M wasn't required to agree to its renewal offer, and he's confirmed he was able to find cheaper quotes elsewhere.

Having considered all of this I don't think Atlanta treated Mr M unfairly when offering him a renewal quote from its panel insurer. So, I can't reasonably ask it to do anymore to resolve his complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 March 2024.

Mike Waldron

Ombudsman