

The complaint

Mr I has complained about how Wesleyan Assurance Society ('Wesleyan') increased his premiums.

What happened

Mr I bought a unit linked income protection policy, underwritten by Wesleyan. The policy allows for the premium and the benefit amounts to be increased, following regular reviews.

Mr I is unhappy with the level of premium increase at his 2022 renewal as his premium almost doubled. Mr I complained to Wesleyan and it responded to explain that the premium had increased due to a number of factors, but especially, inflation. Unhappy, Mr I referred his complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think Wesleyan had increased the premium unfairly or treated Mr I differently to other customers in similar circumstances.

Mr I disagreed and so the case has been passed to me for a final decision.

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 don't think this complaint should be upheld. I'll explain why.

- An insurer can decide how much to charge for a policy. But I can look at whether it has treated Mr I fairly.
- Wesleyan has provided me with some data and information on how Mr I's policy premium increase was calculated including factors such as age, inflation and occupation. The policy terms allow Wesleyan to review the premium at regular intervals to account for the cost of cover. If it thinks the risk has gone up, then it may increase the premium. So in complaints such as these, I look at the factors the insurer has applied to calculate the premium and whether it has done so fairly. This is to check whether Mr I has been treated in the same way as any other Wesleyan customer in similar circumstances and hasn't been singled out in any way.
- Following the 2022 renewal, it is clear that Mr I was, understandably, shocked at the level of premium increase as it had almost doubled. Wesleyan has provided me with data which is commercially sensitive to demonstrate the factors which were taken into account to calculate the 2022 premium. I cannot share this information with Mr I but I would like to reassure him that I have considered all of the evidence very carefully. The main reason for the premium increase in 2022 was inflation.
- I haven't seen any evidence that Mr I was treated differently to others in similar circumstances to him. Wesleyan has confirmed the premium is calculated in the

same way for all customers. It also said Mr I could decide to decline the indexation and pay a lower premium, but this would mean his benefit amount would no longer increase. And the premium may still rise in the future when reviewed to meet the cost of cover.

- Overall based on what I've seen, I'm satisfied Wesleyan has treated Mr I in the same way it would any other policyholder with the same policy as Mr I. So I can't reasonably say he has been treated unfairly.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 29 February 2024.

Shamaila Hussain
Ombudsman