

## **The complaint**

Mr E and Mrs E have complained about the premium quoted by Royal & Sun Alliance Insurance Limited (RSA) when their home insurance policy was due to renew.

As Mr E has mainly dealt with the complaint, for ease, I will normally only refer to him.

## **What happened**

RSA sent a renewal quote when Mr E and Mrs E's policy came up for renewal. It had increased from £966.98 to £1,257.07. So, Mr E complained to RSA about the increase in premium.

When RSA replied, it confirmed it had offered the correct renewal price. It explained that premiums were based on a range of factors. It also said Mr E hadn't been charged more than the equivalent new business price. It said it also advised customers to shop around and to check that the cover continued to meet their needs.

So, Mr E complained to this service. Our investigator didn't uphold the complaint. He said RSA hadn't acted unfairly or unreasonably in how it set the premium. RSA also didn't need to share the detailed information on how it set its premiums.

As Mr E didn't agree, the complaint was 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.

Having done so, I don't uphold this complaint. I will explain why.

It isn't the role of this service to tell a business what it should charge for insurance. This is a commercial decision for a business to take. But, we can look at whether a consumer has been treated fairly by the business, including whether they have been treated differently or less favourably.

I can see that Mr E's premium increased from £966.98 to £1,257.07. RSA has provided information on how it calculated the premium. Based on the information RSA provided, I'm satisfied that the price Mr E was quoted was calculated correctly and fairly. I've also seen no evidence that other customers in Mr E's position would have been charged a lower premium.

I'm aware Mr E would like to see the details of how the premium was calculated. However, this is commercially sensitive information and I'm unable to share it. When RSA replied to Mr E's complaint, it described some of the factors it took into account, such as customer details, their properties details, their claims experience, the claims experience in their area and geographical location. It also confirmed that Mr E hadn't been charged more than an equivalent new business customer.

Mr E has also said he thinks RSA's premium is unfair because he was able to get a higher level of cover at a lower premium with another insurer. It's for each insurer to decide what risks they are prepared to cover and how they weight those risks. Different insurers can apply different factors and considerations to how they assess those risks. RSA doesn't need to price its policies in the same way as other insurers.

Insurance is a competitive market and consumers normally have the freedom to choose between different insurers, including based on the cover they want and the premium offered. When RSA sent Mr E the renewal notice, it said "*You have been with us a number of years, you may be able to get the insurance cover you want at a better price*". It also invited Mr E to discuss the cover offered. It's my understanding that Mr E took out a policy elsewhere that provided the cover he required.

Mr E has also said that he would like his complaint referred to the Financial Conduct Authority (FCA), which is the industry regulator. I've thought about this, but I don't consider I have concerns that would lead me to refer this matter to the FCA. However, this doesn't prevent Mr E from contacting the FCA if he thinks he has reason to do so.

So, having thought about all of the above, I don't uphold this complaint or require RSA to do anything further in relation to it.

### **My final decision**

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E and Mr E to accept or reject my decision before 28 February 2024.

Louise O'Sullivan  
**Ombudsman**