

## **The complaint**

Mrs A complains about Wakam's handling of her commercial motor insurance policy renewal.

All references to Wakam also include its appointed agents.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my decision.

In summary, Mrs A is unhappy the cost of her policy has increased at renewal. She is specifically unhappy that the rate charged for delivery driving has increased from £0.50 per hour to £0.69 per hour. She says her circumstances have remained the same and Wakam have not provided a reason for the increase.

## **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 agree with the conclusions reached by the investigator for these reasons:

- It is not the role of this service to tell a business how they should operate. This includes telling a business what they should charge for insurance products or how they should calculate their premiums. Insurers constantly update how they rate the risk of consumers.
- However, our service can consider whether the actions of the business have been carried out fairly. So I would expect Wakam to be able to show *how* it has calculated the renewal figure – and that it has done so fairly.
- Our service asked Wakam to provide information about how the price increase was calculated, and the rationale behind this. Wakam has provided information about Mrs A's policy, but nothing that shows how the price was calculated or the rationale behind the increase.
- We wouldn't expect Wakam to share this information with Mrs A as it is commercially sensitive and confidential. But as it also hasn't provided this information to our service, despite our service asking for it, I'm not satisfied the premium increase has been calculated fairly.
- Mrs A also raised concerns about the cost of her premium in comparison to a family member's policy. I understand why Mrs A would be concerned by this, but I'm unable to consider the family member's policy in relation to this complaint – as this is specifically about Mrs A's policy.

## **Putting things right**

To put things right Wakam should reimburse the difference in premiums from the previous policy to the new one following renewal.

It should add simple interest of 8% to this amount from the renewal date of the policy to the date it makes payment to Mrs A.

**My final decision**

My final decision is that I uphold Mrs A's complaint.

To put things right I direct Wakam to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 24 May 2024.

Michael Baronti  
**Ombudsman**