

## **The complaint**

Mr D complains that Admiral Insurance (Gibraltar) Limited increased his premium for his motor insurance policy for the past three years following a non-fault claim. He wants a refund of the extra premiums he paid.

## **What happened**

Mr D had a policy with Admiral that he renewed for three years. He then found cover elsewhere and wanted Admiral to refund the increases in premium he said he'd paid because of a non-fault claim. Admiral said it had recorded the claim correctly and calculated the premiums in keeping with its ratings.

Our Investigator didn't recommend that the complaint should be upheld. She explained that any claim can result in an increase in premium due to the risk to the insurer. She thought Admiral had recorded the claim as non-fault and it provided evidence to show the effect this had on Mr D's premium at renewal. She thought Mr D could have found cover elsewhere. So she didn't think Admiral needed to pay Mr D any refund.

Mr D replied that he thought this wasn't fair or reasonable. He said he'd looked for a quote elsewhere and the non-fault claim still affected the premium. Mr D asked for an Ombudsman's review, so his complaint has come 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.

I can understand that Mr D feels frustrated that a non-fault claim has affected his premiums. While some insurers will only rate on No Claims Discount (NCD) disallowed or "fault" claims, others will consider any claim – or even just a claim notification – as a "risk factor". This is because insurers say that drivers who have been involved in incidents, regardless of fault, are more likely to be involved in future claims.

I can understand that Mr D may find this to be illogical. But being involved in an incident could be linked to such things as his use of higher risk roads or junctions or driving at particular times.

It's not our role to tell an insurer how to price their policies or what factors they should consider when calculating a risk. However we need to make sure the insurer is applying a fair and consistent approach to all consumers.

Insurers regularly update how they rate the risk of consumers. And their rates continually change. Admiral has provided us with confidential business sensitive information to explain how Mr D's premiums were calculated. As our Investigator has explained, I can't share this with him, but I can assure him that we've checked it carefully.

I'm satisfied the renewal prices Mr D was quoted with the non-fault claim have been calculated correctly and all of Admiral's customers in his position will have been charged a similar premium.

Admiral's decision to rate on all claims, regardless of fault, is its commercial decision. This doesn't break any relevant regulations and it's in keeping with standard industry practice. And I can't see that Admiral has treated Mr D differently to any of its other customers. And so, as this isn't something that I would normally interfere with as it is a legitimate exercise of its commercial judgement, I don't require Admiral to refund any premium to Mr D.

### **My final decision**

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 September 2024.

Phillip Berechree  
**Ombudsman**