

The complaint

Mr W complains about the premium West Bay Insurance Plc quoted him for the renewal of his motor insurance policy. He's also unhappy that it made errors in arriving at the quote and that it recorded claims as "multiple vehicle".

What happened

Mr W's policy with West Bay was due for renewal. But it made errors in arriving at the calculation of the premium. West Bay paid Mr W £100 compensation for the trouble this had caused. But Mr W thought the corrected renewal quote was too high. And he disagreed that his claims should be described as "multiple vehicle" when they had involved two cars.

Our Investigator didn't recommend that the complaint should be upheld. He thought West Bay's quoted premium was correctly calculated and Mr W hadn't been treated any differently to other consumers in his position. He thought West Bay's compensation for the errors in its initial calculation of the premium was in keeping with our approach. And he thought it wasn't incorrect for it to describe the claims as "multiple vehicle" as more than one car had been involved.

Mr W replied that West Bay's error in providing a quote had caused him to sell his car. Mr W 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 W felt frustrated and upset when he was initially quoted an extremely high renewal premium due to a mis-recorded claim and other inaccurate information. When he complained, West Bay's representatives investigated the matter urgently as his policy was due for renewal. I'm satisfied it then corrected the errors promptly and issued a new renewal quote. But Mr W was still unhappy as this was more than double his previous year's price.

West Bay explained that Mr W now had three non-fault claims in the past five years, and this increased his risk to insurers. It also said other factors had been taken into consideration and it invited Mr W to shop around for alternative cover.

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 W 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 its policies or what factors it 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. West Bay has provided us with confidential business sensitive information to explain how Mr W's premium was 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 price Mr W was quoted with the non-fault claims has been calculated correctly and all of West Bay's customers in his position will have been charged a similar premium.

West Bay'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 West Bay has treated Mr W 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 can't say that West Bay has treated Mr W unfairly.

Mr W said he sold his car because of West Bay's error. But I can see that the error was corrected, and he was offered a corrected quote promptly. And so I can't say that West Bay was responsible for his decision to sell his car. And I think West Bay's payment of £100 compensation was fair and reasonable as it's in keeping with our published guidance for the impact of the error in providing a quote with incorrect information.

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 W to accept or reject my decision before 28 October 2024.

Phillip Berechree
Ombudsman