

The complaint

Mr C and Mrs P complain that Royal & Sun Alliance Insurance Limited trading as More Than (RSA) won't explain why their insurance premium has increased and has recorded claims they haven't made on their own and industry databases.

What happened

Mr C and Mrs P have had home insurance with RSA for some time. When their policy was due for renewal they were surprised to find that the premium for the forthcoming year had increased by about 80%. They didn't think this was fair. They also said RSA had recorded values against claims on their policy that hadn't actually cost RSA anything.

When they complained to RSA it said it wouldn't explain exactly why the premium had increased, as that was commercially sensitive. But it did explain that it had mistakenly recorded a claim for legal expenses twice and hadn't closed the claim properly. That had led to the claim appearing on the central industry database incorrectly. It sorted this out and sent Mr C and Mrs P £100 to make up for that.

Mr C and Mrs P didn't think this resolved their complaint and asked us to review it.

Initially our investigator thought RSA should do more as it wouldn't explain why it had raised the premium to us – even though insurers often share such information on the basis that this service keeps it confidential.

RSA then sent the relevant information and our investigator acknowledged that the increase was in line with RSAs pricing guidelines, even though he couldn't share the detail of this with Mr C and Mrs P. And he thought the resolution of the complaint about the incorrectly recorded claim was reasonable and the compensation fair.

Mr C and Mrs P don't agree with the assessment and so I've been asked to decide the complaint.

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.

There are two key issues within this complaint, and I'll comment upon them separately. I may not mention a particular point that either party has raised, if it's not a key factor in my decision, but I have looked at everything either party has provided.

Claims records

RSA acknowledged that it had recorded incorrect information on an industry database. It didn't realise it hadn't closed a claim record properly until Mr C and Mrs P contacted it about the premium increase. It corrected that, which is what I'd expect an insurer to do when it discovered a mistake had been made. I haven't seen anything that suggests the incorrect record affected Mr C and Mrs P materially – that is, they haven't said they'd been unable to

get insurance or paid more than they needed for a policy, etc whilst the record was in existence. And whilst I do accept that the incorrect record caused some distress and took time to sort out, the compensation offered by RSA was in line with what we'd award in similar circumstances. So I don't think I need ask RSA to do more here.

Premium pricing

RSA did tell Mr C and Mrs P what their policy was going to cost for the upcoming year, in advance of the renewal date. Mr C and Mrs P pointed out that RSA should also have told them the price they'd previously paid. RSA's internal notes say their renewal invitation did say that, but hasn't sent us a copy of that particular document. So, I can't say conclusively if the paperwork inviting renewal included that information or not. Having said that, I do think Mr C and Mrs P were aware of the previous year's cost – because that prompted a query about why the increase was so much. I don't think any omission caused harm in this case.

Turning to the premium increase, RSA did explain to Mr C and Mrs P that it was affected by claims they'd made. And RSA has now provided this service with a breakdown of how and why the premium increased as it did. I'm satisfied that the premium was calculated using the correct information about claims and is in line with RSAs policy. I'm afraid I can't say more than this as RSA is entitled to keep some information confidential when it believes it is commercially sensitive. Pricing is something that falls into this category, so I'm not at liberty to share more detail.

Taking everything into account I'm not upholding this complaint, as I think RSA has already done enough. Of course Mr C and Mrs P are free to shop around for insurance from a different provider if they wish – or haven't already done so.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs P to accept or reject my decision before 9 September 2024.

Susan Peters
Ombudsman