

The complaint

Mr M complains about the poor service he got from First Central Underwriting Limited in relation to a change to his motor insurance policy.

What happened

Mr M says he called First Central early in March 2022 to inform it about a new endorsement and three penalty points on his driving licence. The policy was renewed in January 2023 and in January 2024, but the endorsement wasn't taken into account when the annual premiums were calculated. In February 2024, after carrying out some checks, First Central noted the endorsement and increased the premium by £591.55. It gave Mr M the option of cancelling the policy at the original price, but he decided to keep it. Mr M said First Central hadn't done its job properly by not charging for the endorsement following his call in 2022.

First Central told Mr M the only calls it got from him were at the end of March in 2022, about a claim he'd made. It said there were no calls with him around the start of March 2022, when he said he'd contacted it about the endorsement he'd just received. And it pointed out that Mr M should have told it before the policy renewed in 2023 that there had been a change since the previous year. It said he should also have done so before renewal in 2024.

One of our Investigators reviewed Mr M's complaint. He thought First Central had acted reasonably. He noted that it had paid Mr M £50 for poor service (as an advisor had spoken over him during a call) as well as offering him the chance to cancel the policy at the original price. He said there was no evidence that Mr M had spoken to First Central early in March 2022. The investigator said First Central had provided underwriting evidence to show that the rise in the premium was correct, based on the type of endorsement on Mr M's licence. And he said Mr M should have checked that the details in the renewal documents in 2023 and 2024 were correct and showed the endorsement.

As there was no agreement, the complaint was passed to me for review.

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.

Mr M insists that First Central failed to record the information he gave it in March 2022 about the endorsement. He told us he'd had problems with First Central previously, and he said he thought it was looking for a way to cancel his policy. I can only look into the current complaint, and although Mr M is sure he called First Central early in March 2022, there's no evidence of it. I can't say for certain that Mr M didn't speak to one of First Central's advisors when he says he did, as human error is always a possibility. But I can't *assume* that was the case, in the absence of evidence from either party.

Crucially, First Central sent policy renewal documents to Mr M for the 2023 policy, and consumers are always asked to *check the documents* for accuracy. They have a duty to ensure that the details in them are right. In this case, the 2023 renewal documents didn't show the endorsement. First Central says that's because it hadn't been told about it. But even if Mr M *did* tell it about the endorsement in 2022, it seems he didn't check the documents. Had he done so, he could have told First Central the endorsement wasn't showing. It would have corrected that error and increased the premium for the 2023 policy. Mr M would also have had the option of not renewing the policy and finding cover elsewhere.

Mr M has mentioned to us that he has some difficulties with reading and writing. From what he's said, he's able to get some help with that from others when necessary. I appreciate that he may have had a problem with the renewal documents. But if so, I think it would have been reasonable for him to contact First Central for help if he couldn't get it elsewhere.

Mr M isn't happy that the premium rose so much in 2024, but the increase was the direct result of his 2022 endorsement. He could have avoided paying it had he cancelled the policy. He chose to keep it, largely because it seems he would have faced much higher premiums from other insurers. But I don't think First Central is responsible for that. I think the issue is whether the rise in First Central's premium was reasonable.

First Central has provided underwriting evidence that shows how it rates the type of endorsement that's on Mr M's licence. It showed us the percentage increase the underwriters think is appropriate to charge for it. Any consumer with that endorsement would have been treated similarly. So although the amount of the increase came as a shock to Mr M, in my opinion, First Central acted reasonably in increasing the premium in the way it did.

I also think it was reasonable for First Central to offer Mr M £50 compensation for poor service, as it agreed the way a call with him was handled wasn't appropriate. I don't think he can show that First Central acted unreasonably in relation to the rest of his concerns. So although I know Mr M will be disappointed with my decision, I can't uphold his complaint.

My final decision

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 M to accept or reject my decision before 4 November 2024.

Susan Ewins

Ombudsman