

The complaint

Mr W is unhappy with the amount AXA Insurance UK Plc, trading as Moja, quoted him to renew his motor insurance policy.

What happened

Mr W held a motor insurance policy with Moja.

In March 2024, Moja invited Mr W to renew his policy for another year. Mr W thought the price offered was too high compared to the year before. He didn't think the increase was fair, so he complained to Moja.

Moja responded and said its underwriters had confirmed the price was correct. It provided several factors that affected the insurance industry, like the cost of repairs, materials, and global conflicts. It also said it had sent Mr W's renewal invite 21 days before the policy was due to renew, to give Mr W a chance to shop around if needed.

Mr W didn't think this was fair, so he referred the matter to the Financial Ombudsman. He said the price increase was too expensive for him, so he had to sell his car, which affected his work and his financial situation.

Our investigator looked into the complaint. He thought Moja had shown that it calculated the renewal price correctly and fairly. So, he didn't think the complaint should be upheld.

Mr W didn't agree. He wasn't happy that our service couldn't disclose how we'd decided that Moja had treated him fairly. And he didn't think Moja had demonstrated any factors that were specific to him, only factors that were outside of his control. He thought Moja should refund part of his previous year's premium, to reimburse his losses from having to sell his car.

Because Mr W didn't agree, the matter has been passed to me to make 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.

Having done so, I've decided not to uphold this complaint for broadly the same reasons as our investigator. I've focused my comments on what I think is most relevant. If I haven't commented on a specific point, it's because I don't feel it changes what I think is the right outcome.

I recognise that my decision is likely to be disappointing for Mr W. I've carefully read what he's said, and I appreciate the impact the price increase had on him. But I have to consider whether Moja has priced his renewal correctly and fairly – and, on this occasion, I think it has. I'll explain why.

The role of the Financial Ombudsman when looking at complaints about insurance pricing is not to tell insurers what they should charge or to determine the right price for the policies

they offer. This is a commercial decision that they're entitled to make. But, we can see whether we think a consumer has been treated fairly, or whether there's anything to show they've been treated differently or less favourably.

I can see Mr W paid a premium of £1,210.83 in 2023 and Moja offered a renewal price of £2,388.02 in 2024. This price comparison was shown to Mr W on the renewal invites that Moja sent to him. This is a large increase so I can understand why Mr W is concerned.

Moja has provided confidential, business-sensitive information to explain how Mr W's price increase was calculated. This includes how his policy was rated and the specific loadings that have led to the increase. This forms part of Moja's pricing model so it applies to all policies. I think this is important, because it shows that the pricing model Moja used to calculate Mr W's premium was the same model as would be used for other customers in the same circumstances.

I'm afraid I can't share this information with Mr W because it's commercially sensitive. I know Mr W is frustrated about this. But I can't disclose confidential and sensitive information. Even so, I hope Mr W can be reassured that I've checked it carefully and I'm satisfied the price he was quoted was calculated correctly and fairly. I've seen no evidence to suggest he was treated differently to other Moja customers in the same circumstances.

While I can't share the specifics of Moja's risk model, Moja has demonstrated that the rising price of claims, due to inflation in the market, was a key factor. I know Mr W feels this is unfair as these factors are outside of his control. And I do understand his frustration at his premiums going up even though he hasn't made a claim. But Moja, like all insurers, will review its approach to risk and this will result in price changes. Rising costs in the insurance market are well publicised, and Moja has said to Mr W that this has increased its costs. I haven't seen any evidence to suggest Mr W has been singled out by this.

Mr W says Moja hasn't increased his premium based on anything specific to him. But Moja told Mr W in its final response that there were factors specific to him. It said it had seen an increase in claims for the particular car he drives or the area in which he lives. Even so, factors outside of Mr W's control are still valid reasons for Moja to increase its prices – and I'm satisfied Moja has done so correctly and fairly on this occasion.

I've also checked the renewal letter that Moja sent to Mr W, which said:

"It may be a good idea to shop around to compare prices and cover to make sure you're getting what you need, although we'd love for you to stay with us!"

I can see this was sent at least 21 days before the renewal was due. So, I think Moja gave Mr W a fair chance to look elsewhere.

I do recognise how strongly Mr W feels about the price increase. But I'm satisfied Moja has treated him correctly and fairly. So, I won't be telling Moja to do anything further.

My final decision

For the reasons I have given, it is my final decision that I do not uphold Mr W's complaint about AXA Insurance UK Plc trading as Moja.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 8 October 2024.

Chris Woolaway
Ombudsman