

The complaint

Mr S has complained about the price Admiral Insurance (Gibraltar) Limited has charged for his motor insurance policy.

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.

Our investigator thought Admiral had acted fairly. I agree, and for the same reasons, so I don't think there's a benefit for me to go over everything again in detail. Instead, I'll summarise the main points:

- Mr S made a claim following an accident. The third party admitted fault and Admiral settled Mr S' claim as non-fault.
- The policy later came up for renewal. Mr S noticed the price had increased since the previous renewal. He didn't think it was fair for this to happen after a non-fault claim.
- Admiral said it took into account non-fault claims when considering what price to charge because these types of claims can suggest a higher exposure to risk. It noted Mr S was under no obligation to accept the price it had offered at renewal.
- Each insurer is entitled to take its own view of risk and, based on that, what price to charge for providing insurance to a particular policyholder. Generally, insurers can take into account any information they wish when deciding how risky something is to insure – as long as they use accurate and relevant information, don't discriminate or single anybody out, and treat each policyholder fairly and reasonably overall.
- Admiral has chosen to take into account recent non-fault claims when deciding how risky it is to provide motor insurance. As Mr S had a non-fault claim at the 2024 renewal, that contributed to the price increase. It doesn't mean Admiral has held Mr S at fault for the previous claim and/or has penalised him for making the claim. It's simply that Admiral considers him riskier to insure with a recent non-fault claim. It says this is because it indicates he may be more likely to make another claim and has explained why in detail when it responded to his complaint.
- This is a view Admiral is entitled to take – and it does so for all its policyholders, so it's not treating Mr S any differently. It's common for motor insurers to take this kind of approach, so I don't think it's an unusual view for Admiral to take.
- At the renewal, it's likely the price would have increased, even without a claim, as increased claim costs have meant increases in the price of motor insurance policies recently – around 20% in early 2024 on average. So the price increase wasn't solely the result of the non-fault claim.

- As Admiral noted, Mr S wasn't obliged to accept the price it offered. He was entitled to shop around for other options if he wished.
- Taking all of this into account, I'm satisfied Admiral treated Mr S fairly when it increased the price of his insurance at the 2024 renewal. So I won't require to take any action in relation to this complaint.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 November 2024.

James Neville
Ombudsman