

## **The complaint**

Mr G is unhappy with the amount Aviva Insurance Limited quoted him to renew his motor insurance policy and the way it has recorded a non-fault claim.

## **What happened**

Mr G held a motor insurance policy with Aviva.

Aviva invited Mr G to renew for another year. Mr G wasn't happy with the price. He thought Aviva had increased it because of an incident that took place the previous year. He said this incident wasn't his fault and he wasn't in his car when it was damaged. He didn't think Aviva should log the claim at all because it had been able to recover its costs. He also thought Aviva had inflated the price to repair his car. So, he complained.

Aviva said it had recorded Mr G's claim as non-fault and that this didn't affect the renewal price. It said it can't share details of its pricing structure, but it explained that prices are based on several factors – some of which are related to the customer, and some are not. It said its prices are frequently updated with claims information and other data, and it said customers are free to accept the renewal or to shop around.

Unhappy with Aviva's response, Mr G referred the matter to the Financial Ombudsman. Our investigator didn't think the complaint should be upheld because he didn't think Aviva had done anything wrong.

Mr G didn't agree, so the complaint 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 the 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 affects what I consider to be the right outcome.

I recognise my decision will likely be disappointing for Mr G. I understand why he's frustrated. His insurance premium has gone up by a significant amount, and he's concerned Aviva hasn't treated him fairly after a claim that wasn't his fault. However, I'm satisfied Aviva has acted fairly and reasonably. 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 insurers are 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 G paid a premium of £526.11 in 2023 and Aviva offered a renewal price of £1,343.08 in 2024. This is a significant increase so I can understand Mr G's concern.

Aviva has provided confidential, business-sensitive information to explain how Mr G's renewal was calculated. This includes how his policy was rated and the specific loadings that have led to the increase. This forms part of Aviva's pricing model so it applies to all policies. I think this is important, because it shows that the pricing model Aviva used to calculate Mr G'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 G because it's commercially sensitive. I appreciate Mr G may want to see this. But I can't disclose confidential and sensitive information. Even so, I hope Mr G can feel 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 Aviva customers in the same circumstances.

Whilst I can't share the specifics of Aviva's risk model, Aviva has demonstrated that the rising price of claims, due to inflation in the market, was a factor. Aviva, 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 often feed into higher premiums. I haven't seen any evidence to suggest Mr G has been singled out by this.

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

"Please check this cover still meets your needs. Remember you can compare different prices and levels of cover offered by alternative providers."

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

Regarding the non-fault claim, it isn't in dispute that Mr G's car was damaged. Aviva covered the cost of the repairs, and it recovered those costs from the third-party insurer. So, Aviva was right to record the claim as non-fault, to show that it happened. This is in line with standard industry practice. So, I won't be telling Aviva to remove the record.

While Mr G has said he could have had the repair work done for less, Aviva was entitled to choose how it wanted to settle the claim. It chose to have Mr G's car repaired through its authorised repair network. Aviva has provided evidence from its engineers breaking down the work that was carried out and the associated costs. The total matches the value of the claim that Aviva has recorded. So, I don't think Aviva has done anything wrong.

I'd like to reassure Mr G that Aviva did not take the claim or its value into account when it calculated his renewal. I know Mr G is concerned that other insurers might. But this doesn't mean that Aviva has recorded the claim unfairly.

Overall, I'm satisfied that Aviva has priced Mr G's policy correctly and has recorded the claim as I would expect. So, I won't be telling Aviva to do anything further.

### **My final decision**

For the reasons I've given, I do not uphold Mr G's complaint about Aviva Insurance Limited

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 January 2025.

Chris Woolaway  
**Ombudsman**