

The complaint

Mr K has complained that Liverpool Victoria Insurance Company Limited (“LV”) didn’t offer to renew his home 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 LV 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 K had a home insurance policy underwritten by LV. In 2024, LV said it wouldn’t offer to renew the policy. It said the information it used to underwrite policies had changed in relation to flood and subsidence. And that meant Mr K’s property was now outside of its risk appetite.
- Mr K didn’t think this was fair. He provided information to challenge what LV had said about the risk of flood and subsidence. And he said it had failed to provide transparent information as it hadn’t provided further information to support its decision. He questioned whether this met relevant principles and standards.
- Each insurer is entitled to take its own view of risk and, based on that, whether to offer insurance cover to a particular policyholder – and, if so, on what terms.
- Generally, an insurer can take into account any information they wish when deciding how risky something is to insure. That information can change over time for a variety of reasons – and so can the weight an insurer places on the information. As a result, an insurer’s view of risk can change over time, even if nothing seems to have changed to the policyholder. I don’t think that’s unreasonable.
- That means LV was entitled to look afresh at the underwriting information it had in relation to Mr K’s property and make a decision about whether to offer cover at the 2024 renewal. It chose not to.
- It’s rare for this Service to interfere with an insurer’s underwriting decision. That may happen where there was an obligation on an insurer to offer continued cover to a policyholder and/or the policyholder would be unable to move to another insurance provider. I haven’t seen anything to suggest such circumstances may apply in this particular case. So I don’t see any reason to interfere with LV’s underwriting decision not to offer Mr K a policy.
- Part of Mr K’s complaint was about the way LV communicated with him about its decision. As he’s noted, LV had a duty to provide information that was clear, fair and not misleading in relation to the renewal of the policy. I understand Mr K considers LV failed to fulfil the duty in relation to explaining the reason for its decision.

- I'm satisfied LV fulfilled that duty. Its decision was set out clearly, and in plenty of time to enable Mr K to source another policy prior to the renewal. LV also provided information about other ways for Mr K to source a policy. And it sent a reminder of its decision closer to the renewal date.
- The insurer is the party taking the risk of offering the cover, so I think it's usually fair it's the party that decides what information is relevant to inform its decision about whether to offer cover. And, as above, it's entitled to take its own view of risk. So I don't think it would have made a difference, or been productive, for LV to engage in discussion about the information Mr K provided to challenge its decision.
- And each insurer's approach to risk is commercially sensitive. So I wouldn't usually expect an insurer to share detailed underwriting criteria, or the information supporting it, with a policyholder.
- Taking into account all of the above, and everything else provided by both parties, I'm satisfied LV has acted fairly and reasonably. As a result, I won't require it to take any further 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 K to accept or reject my decision before 14 February 2025.

James Neville
Ombudsman