

The complaint

Mr A complains that U K Insurance Limited (UKI) has declined to renew his motor insurance policy. He wants his cover reinstated.

What happened

Mr A had been insured with UKI for about three years. But following his latest claim, UKI said it wouldn't be renewing his policy because of the number of claims he had made within a short time. Mr A had made seven claims in just over a year, including for two stolen cars. UKI said it wouldn't consider covering Mr A for the next three to five years.

Our Investigator didn't recommend that the complaint should be upheld. She thought it was for UKI to decide what risks it wanted to cover. She thought it had declined cover in keeping with its underwriting criteria and to keep costs down for all its customers. She thought it had reasonably considered Mr A's appeals against its decision. And she also thought it had treated Mr A the same as any other consumer in his circumstances.

Mr A replied that most of the claims had been non-fault and he felt unfairly treated. Mr A asked for his complaint to be reviewed, so it's come to me for 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.

I can understand that Mr A feels frustrated that UKI has declined to renew his policy. He's explained that he needs to drive for personal and medical reasons, and I understand that this will cause him hardship. I was sorry to hear this.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

UKI said that its underwriters had declined to cover Mr A because of the number of claims he'd made within a short period. I've looked at Mr A's claim record, and I can see that most of the seven claims made in 14 months are classed as non-fault. But UKI did incur costs because of these. And it decided that the high claim frequency and the two theft claims made the risk of continuing to insure Mr A too high.

Mr A said this was unfair because he wasn't at fault for most of the claims. But while some insurers will only rate on No Claims Discount (NCD) disallowed or "fault" claims, others will consider any claim – or even just a claim notification – as a "risk factor". This is because insurers say that drivers who have been involved in incidents, regardless of fault, are more likely to be involved in future claims.

I can understand that Mr A may find this to be illogical. But being involved in an incident could be linked to such things as his use of higher risk roads or junctions or driving at particular times.

It's not our role to tell an insurer how to price its policies or what factors it should consider when calculating a risk. However we need to make sure the insurer is applying a fair and consistent approach to all consumers.

UKI has provided us with confidential business sensitive information to explain how Mr A's cover was reviewed. As our Investigator has explained, I can't share this with him, but I can assure him that we've checked it carefully. And I'm satisfied that UKI acted in keeping with these criteria when it decided not to renew Mr A's policy.

UKI's decision to not renew Mr A's policy is its commercial decision. This doesn't break any relevant regulations and it's in keeping with standard industry practice. And I can't see that UKI has treated Mr A differently to any of its other customers. And so, as this isn't something that I would normally interfere with as it is a legitimate exercise of its commercial judgement, I don't require UKI to do anything further.

My final decision

For the reasons given above, 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 A to accept or reject my decision before 10 March 2025.

Phillip Berechree
Ombudsman