

The complaint

Ms T complains about the price of her home insurance policy with Saga Services Limited.

What happened

Ms T holds a home insurance policy with Saga. She complains about the price of that policy following its renewal in 2023. She's unhappy that the premium is roughly four times the amount it was the previous year, despite an important aspect of cover – subsidence – being excluded from the latest renewal.

Saga says the price of the renewal is fair, it says as an intermediary it doesn't set the base premium, the insurer does. It says it then adds its own costs but says it's done so fairly here.

Ultimately our Investigator agreed.

Ms T didn't and asked for an Ombudsman's decision.

I'm aware Ms T also complains more broadly about the renewal of her policy, including the decision to change insurers and the decision to offer a policy without subsidence cover, which she says wasn't made clear to her. This decision doesn't address those points, it simply addresses the price of the renewal.

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'm not upholding it. I'll explain why.

- Saga as the intermediary don't set the base level of the policy, rather, they use a panel of insurers who each return a quote. It says it then offers the cheapest one to its policyholders.
- Here, only one insurer returned a quote, so this was the only quote Saga passed on to Ms T. Saga isn't responsible for the price of the quote, that's set by the insurer.
- Saga does add its own costs to the quote to calculate the final price, I've seen these but can't share them because they're commercially sensitive. Although the price of Ms T's policy at the renewal in 2023 is roughly four times what it was in 2022, the amount Saga added to this cost is significantly less percentage wise.
- I understand Ms T is disappointed that the premium has increased, yet the level of cover has decreased. But from what I've seen I'm satisfied Saga has acted reasonably when setting the price of the policy it was responsible for.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 14 March 2025.

Joe Thornley
Ombudsman