

## **The complaint**

Mr S complains that Haven Insurance Company Limited (Haven) increased his premiums, despite him making no claims on his policy.

## **What happened**

The background to this complaint is well-known to both parties. So, I've set out a summary of what I think are the key events.

Mr S held motor insurance policies with Haven over a period of three years. He said his premiums increased by a few pounds on his first renewal, and then doubled on his second renewal - causing him confusion and distress. Mr S felt this was unfair and complained to Haven; asking them to explain why his premiums had increased so much.

Haven considered the complaint but didn't uphold it. They said there had been a change in their underwriting rates over the previous 12 months which had resulted in the increased premiums on Mr S's second renewal. But Mr S didn't think this was a sufficient reason for an increase. He said that there had been no fundamental change to the level of risk Haven were covering so he felt any increase was unlawful. Unhappy with Haven's reply to this complaint, he brought it to this Service.

An Investigator considered the complaint and recommended it be upheld in part. He explained that - while it wasn't for this Service to tell insurers how much they should charge for cover - we could consider whether an insurer had fairly calculated a customer's premium. And the Investigator said Haven had evidenced that the premium quoted was correctly calculated and was based on how they viewed the risk at the time the quote was provided. So, he thought they had demonstrated why there was a fair increase in Mr S's premiums.

But the Investigator also noted that Haven hadn't initially shown that Mr S's renewal quote was fairly calculated despite Mr S's specific requests. And the Investigator said he would have expected Haven to provide more information to justify their premium increase to Mr S initially instead of providing a standard response to this complaint.

The Investigator concluded that the delay in providing evidence of how they'd calculated Mr S's renewal quote to be able to assure Mr S of the fairness of his quote would have caused him distress and inconvenience. So, he thought Haven should pay Mr S £150 compensation for this delay and the service he received.

Mr S remained unhappy with how Haven had handled his renewals and subsequent complaint and said they were disregarding industry rules. He asked for an Ombudsman to consider the complaint.

## **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 to uphold the complaint in part. My findings are similar to those of the Investigator.

I acknowledge Mr S has raised wider concerns about the insurance market and how Haven calculates their premiums. However, the role of this Service isn't that of a regulator and so it isn't our role to comment on these matters. The role of this Service is to consider whether Haven have treated Mr S fairly in regard to his specific complaint; and if not, what they need to do to put things right. This is what I've reviewed as part of this decision.

As the Investigator explained previously, it's not this Service's role to dictate to an insurer what they should charge customers for an insurance policy. This is a decision for them to make based on established underwriting criteria. So, the price they charge, and the methods used to calculate premiums, are a commercial decision for them to make. A wide range of factors are considered, and each insurer will have their own approach and appetite for taking on risk.

Since the complaint came to this Service, Haven have provided their underwriting information to show how they calculated Mr S's renewal premium. This information is considered commercially sensitive, so I can't share it. However, I've considered it carefully and I'm satisfied that it shows an established process when calculating Mr S's premium which would result in an increase at renewal. I therefore can't reasonably conclude that Haven applied their pricing strategy in an unfair manner.

I do appreciate Mr S's concerns over an increase in his premiums when he'd been a customer of Haven's for several years and not made any claims. And I understand that it may sound unfair that an insurer can choose to set the price however they like. However, the insurance market is competitive, and consumers' choices are often driven significantly by price. Ordinarily, consumers have freedom to choose between many insurers in the market and can avoid those companies that they feel are too expensive or poor value for money.

Ultimately, insurers aren't expected to divulge underwriting information either to their customers, or competitors. But I do think Haven could have done more here to reassure Mr S about why they had increased his premiums at renewal so drastically; and given more information other than just relying on "a change in their underwriting rates". I think, given Mr S's specific concerns raised, Haven could have done more to explain why their price had increased. I'm ultimately satisfied that Haven providing limited information in response to his complaint to assure Mr S of the fairness of the renewal quote would have caused him distress and inconvenience. So, I think Haven should pay a sum of compensation.

### **Putting things right**

I've considered Mr S's testimony about how he says this complaint affected him, and I agree that a compensation payment of £150 is a fair and reasonable conclusion to this complaint.

While I appreciate this compensation amount may not fundamentally change matters for Mr S given his wider concerns - I consider this to be in line with the level of compensation appropriate to these issues and the evidenced impact on Mr S. And I'm satisfied this award is in line with this Service's approach to compensation and also produces a fair and reasonable outcome in the circumstances of this particular complaint.

**My final decision**

For the reasons given above, my final decision is that I uphold this complaint. I direct Haven Insurance Company Limited to:

- Pay £150 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 April 2025.

Stephen Howard  
**Ombudsman**