

The complaint

Mr D has complained about the premium Royal & Sun Alliance Insurance Limited (RSA) offered at the renewal of a home insurance policy he shares with Mrs D.

What happened

Mr and Mrs D received a renewal invitation from the underwriter RSA of a home insurance policy it held through their bank.

The premium RSA offered was £1,016.15 compared to the previous year's premium of £513.21.

Mr D complained to his bank and it passed the complaint about the premium increase to RSA.

In October 2024 RSA didn't uphold the complaint. It said the premium had been correctly calculated. It explained that Mr and Mrs D were free to shop around.

Mr and Mrs D didn't renew their policy with RSA. They bought a policy with another underwriter for £568.15.

Mr D believes RSA intended to charge him a higher premium than a new customer because of their age and because they had held insurance with RSA for a number of years.

One of our Investigators didn't recommend the complaint should be upheld. She explained that RSA had provided further pricing information to this service as to why the renewal premium had increased, but that this was commercially sensitive and so not something she could share with Mr D. Having reviewed the information, the Investigator was satisfied RSA hadn't treated Mr and Mrs D unfairly. RSA confirmed the premium offered to Mr and Mrs D wasn't more than it would have offered a new customer.

Mr D didn't agree and wants an ombudsman to decide. In summary he believes he should be able to see the evidence RSA has provided to us. Other insurers were able to provide a premium at a similar price to the one he paid the year before. So Mr D doesn't accept the reasons RSA provided as to why it increased the premium at renewal.

Mr D wants this service to include his bank under the complaint as he says they are the 'prime contractor' so should be responsible for the administration of the 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.

Having done so, I've decided not to uphold it. I understand Mr D will be disappointed, but I will explain why I've come to my decision.

I can understand why Mr D was unhappy with the renewal premium offered by RSA in September 2024 as the increase from the previous year was effectively double.

As the Investigator explained, we don't tell an insurer what price it charges for insurance. This is a commercial decision a business is entitled to make and insurers update their pricing

models frequently in line with the market and their appetite for risk. What an insurer wishes to charge for that risk is individual, which we know because when we look for insurance on comparison websites using the same information, the prices vary greatly.

An insurer's pricing information is commercially sensitive, so it cannot be shared with customers. But we can ask an insurer to share it with us so that we can look at whether it has treated a customer as it would any other customer in the same position.

I understand Mr D obtained a policy with a different insurer when looking online through a comparison website. Mr D says RSA are not competitive. He believes RSA quoted them a higher price than it would have offered a new customer.

Mr D hasn't provided evidence that this was what he found when he looked on a comparison website. And RSA has confirmed that it would not have offered a lower price to a new customer. I have seen no evidence to contradict this.

From the information RSA has provided to this service, I'm satisfied the price Mr and Mrs D was quoted was calculated correctly and fairly. I've seen no evidence that other RSA customers in their position would have been charged a lower premium.

When RSA replied to the complaint on 8 October 2024, it explained that there were many factors behind the increase in renewal premium: changes in external risk indicators such as claims, flood and weather.

We know that over the past two years, it's been widely publicised that the price of insurance has increased due to claims inflation and insurers facing rising costs in settling claims.

I understand Mr D found RSA's renewal price to be unfair and wasn't competitive. But it's for a business to decide what risks they're prepared to cover. And it can decide how much weight to attach to those risks. That doesn't mean an insurer offering a higher premium has made an error compared to an insurer offering a cheaper premium. Instead, it reflects the different approach they've decided to take to risk.

RSA asked Mr and Mrs D if they had considered shopping around for the best deal for the cover they wanted when it sent its renewal invitation in September 2024. So I think RSA was clear about the options available to Mrs and Mrs D in good time before the renewal date, so they could make an informed decision.

Mr and Mrs D's policy, along with the renewal invitation sets out that the home insurance policy is underwritten and administered by RSA. RSA has responded to the complaint about the premium offered at renewal on 8 October 2024 and this is the complaint that forms part of my decision.

The underwriter sets the price for a policy, and so this service has correctly decided this complaint against RSA as the underwriter.

I cannot give Mr D what he wants as I cannot share RSA's commercially sensitive information with him. From what I've seen, I'm satisfied RSA has treated Mr and Mrs D fairly and so I'm not upholding the complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mr D to accept or reject my decision before 12 June 2025.

Geraldine Newbold
Ombudsman