

## The complaint

Mr G complains about the premium set by First Central Underwriting Limited ('First Central') to renew his car insurance policy.

## What happened

Mr G held car insurance provided by First Central. In July 2024 he was invited to renew his policy, with an increased premium from the year before.

Since the renewal premium was higher, and there hadn't been a change in his circumstances, Mr G contacted First Central to query the price. But First Central didn't offer any reduction, so, he made a complaint.

In its final response to the complaint, First Central gave some examples of the criteria, or 'rating factors', such as age, occupation, and postcode, it uses to calculate the premium and said Mr G's renewal premium was higher because its underwriters had determined the risk was greater than the previous year in addition to general inflation and an increase in the cost of claims contributing to the higher premium.

Mr G was unhappy with this response, so he brought his complaint to us. He said he had previously disclosed to First Central that he has ADHD, and he was concerned First Central used this as a factor when determining his premium. I also understand that Mr G decided not to accept First Central's renewal quote and took out a policy with a different provider.

Our investigator concluded that First Central did not treat Mr G fairly. She noted that the 2024 renewal premium was a 154% increase from the 2023 premium, and she felt First Central hadn't provided enough to explain this rise. As a result, she was unable to determine that Mr G had been treated the same as other customers in similar situations. While she did not find evidence that First Central used Mr G's ADHD as a factor in calculating the premium, she believed that the lack of rationale for the increase likely caused additional distress for Mr G due to his condition. To resolve the matter, she recommended that First Central compensate Mr G with £150.

Because First Central didn't agree, the complaint was referred to me to decide. I issued a provisional decision not upholding the complaint, and I said:

*"I should start by saying it isn't our role to tell an insurer how much it should charge for a policy or how it should decide what to charge as these are commercial decisions for the insurer to make. We're also not a court, so it isn't for me to decide if First Central unlawfully discriminated against Mr G based upon his neurodivergence. But I can look at whether Mr G was treated unfairly, such as by being treated differently to another customer in the same circumstances as him.*

*Mr G says his individual circumstances between 2023 and 2024 didn't change. First Central didn't dispute that but said in its final response the risk associated to the policy was greater than last year. So, I've considered if First Central has provided evidence to show if, and how, that was factored into the renewal premium.*

*Our investigator asked First Central to provide a breakdown to show how exactly how the renewal premium was calculated. But First Central said it couldn't provide this. So, the investigator asked First Central if it could provide a statement explaining what the main risk factors were which had influenced the difference in price between 2023 and 2024.*

*First Central responded providing confidential business sensitive information showing several different factors which it had reassessed the risk of. I can't share this information with Mr G because its commercially sensitive, but I'd like to assure him I've considered it carefully.*

*This evidence shows that Mr G's premium changed due to First Central reappraising the risk of various general factors. This isn't unusual, insurers regularly update how they assess risk and are entitled to do this. So, even if an individual policy holder's personal circumstances haven't changed, premiums may still increase if there are general trends which an insurer has reevaluated the risk of.*

*When the premium is calculated, it's an automated process based on the information contained within the statement of fact. Mr G's circumstances didn't change, and I've seen nothing to show any incorrect information was used. But, although Mr G's circumstances didn't change, First Central's evaluation of the risk, based on the information it already held did change, resulting in a higher premium.*

*I acknowledge Mr G's concern that his premium was increased because he disclosed his ADHD. But First Central said this had no impact on his renewal premium, and I haven't seen any evidence to show this was a factor used when calculating the premium. Nor is his ADHD contained on his policy statement of fact – which is where I'd expect to see any information used to determine the premium. First Central said Mr G was asked if he'd like his ADHD recorded to ensure it could meet its Consumer Duty obligations and offer extra support if needed. I think that's a reasonable explanation why Mr G was asked this.*

*I understand that the 2024 renewal premium was a significant increase compared to the previous year. However, based on the available evidence, I think First Central has reasonably demonstrated that this increase was due to several factors – unrelated to any changes in Mr G's circumstances – that contributed to a higher risk assessment. These included general inflation, rising insurance costs, and other risk-related considerations, which First Central was entitled to take into consideration when assessing the premium it wanted to charge. So, I think the explanation provided by First Central in its final response for the increase was reasonable.*

*Accordingly, as the increase was due to the aforementioned factors, and not due to First Central treating Mr G less favourably than other customers in similar circumstances, or due to his ADHD, I do not find First Central acted unfairly."*

First Central replied accepting my provisional decision. But Mr G did not, and in summary, he said:

- In the years prior to telling First Central about his ADHD, his premium decreased instead of increasing.
- Price comparison websites offered him much better quotes than the increase proposed by First Central. So, he'd like more information on how First Central calculated the premium.

- He doesn't seek compensation from First Central, he just doesn't want insurers to risk assess people with certain conditions individual rather than as a group.

### **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 reached the same conclusion as I did in my provisional decision, and for the same reasons.

I acknowledge Mr G still thinks he was discriminated against because of his ADHD. But I've seen no new evidence showing that, and I think the evidence which was provided showed the premium increased because First Central reappraised its approach to risk and considered a variety of different factors represented a higher risk than the year before.

I also note Mr G has asked for more information on why the premium increased. But I can't share this with him as its commercially sensitive confidential information. I would again, however, like to assure Mr G that I carefully considered this evidence in reaching my decision.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 14 April 2025.

Daniel Tinkler  
**Ombudsman**