

The complaint

Mr A complains that Admiral Insurance (Gibraltar) Limited increased the premium for the renewal of his motor insurance policy following notifications only of two incidents. He's also unhappy with its level of service and delays in dealing with his concerns.

What happened

Mr A's policy was due for renewal, and he was unhappy that his premium had increased following two incidents which he had reported to Admiral for notification only. He was also unhappy that he was passed between different agents when he called to discuss this. Admiral explained that the renewal premium was correct, but it offered Mr A £75 compensation for the level of service he'd received. But Mr A was unhappy with this.

Our Investigator didn't think the complaint should be upheld. He thought Mr A had notified Admiral about the incidents as required by his policy's terms and conditions. And he thought Admiral had correctly recorded these on the Claims and Underwriting Exchange (CUE) database. He thought Admiral had treated Mr A fairly when it calculated his renewal premium. And he thought Admiral's offer of compensation for its level of service was fair and reasonable.

Mr A replied that he thought the renewal premium was excessive when he hadn't made a claim. He said the premium had previously covered his home insurance as well. He said he'd been caused stress when he had been passed around various call handlers for three hours. Mr A asked for an Ombudsman's review, so his complaint has 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 Admiral increased his premium at renewal after he notified it of two incidents where his car was damaged whilst parked and unattended. Mr A said he had no intention of making a claim, and so he thought the premium increase was unjustified.

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 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. This doesn't mean, as I think Mr A misunderstood from Admiral's explanation, that he was likely to claim for the two incidents. But that the chances of him making a claim in the future for other incidents were increased.

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. Or, in Mr A's case, where he chooses to park his car.

Insurers regularly update how they rate the risk of consumers. And their rates continually change. Admiral has provided us with confidential business sensitive information to explain

how Mr A's renewal premium was calculated. As our Investigator has explained, I can't share this with him, but I can assure him that we've checked it carefully.

I'm satisfied the renewal price Mr A was quoted with the two notifications has been calculated correctly and all of Admiral's customers in his position will have been charged a similar premium.

I think Admiral has reasonably demonstrated that the premium increase at renewal was due to several factors that contributed to a higher risk assessment. These included a change of address and the two notifications. I think it was reasonable for Admiral to take these into consideration when assessing the premium it wanted to charge. So, I think the explanation provided by Admiral for the increase was reasonable.

Admiral's decision to rate on all incidents, regardless of fault or claim, 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 Admiral has treated Mr A differently to any of its other customers. Mr A was under no obligation to accept Admiral's renew quote. 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 Admiral to refund any premium to Mr A.

Mr A said his home contents insurance was included in his previous year's premium but now Admiral was charging him separately for this. But I've seen no evidence to support this. Admiral has explained that Mr A also paid for home contents cover in previous years. Mr A hasn't provided any evidence to counter this. So I can't say that Admiral has treated him unfairly.

Admiral agreed that it had caused Mr A avoidable frustration when it unnecessarily passed him around various departments in his call. And it offered him £75 compensation for this level of service. I think that's in keeping with our published guidance where an error has led to such an impact for a short time. And so I think this is fair and reasonable and I don't require Admiral to increase this.

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 29 May 2025.

Phillip Berechree
Ombudsman