

The complaint

Mr G complained to Royal & Sun Alliance Insurance Limited ("RSA") about its lack of explanation behind a renewal premium increase; difficulty making a complaint; and the inability to cancel his cover or make changes to the auto-renew option online, under his home buildings insurance policy.

What happened

Mr G's renewal documents confirmed his premium was due to increase from £567.34 to £749.67. He said no explanation was given for this 32% increase. Mr G queried if this was compliant with the Financial Conduct Authority's (FCA) regulations around loyalty protection. He was also concerned that it was difficult to turn off the auto-renewal function or to cancel his policy online. In addition, Mr G said RSA made submitting a complaint difficult.

RSA responded to Mr G's complaint on 5 September 2024. It said it believed the matter was now resolved following a call where this had been discussed. Mr G said he had agreed with RSA's agent that the premium aspect of his complaint had been dealt with. But he wanted a response from his insurance broker, to whom he initially made his complaint, regarding the other two points. He said no response was received.

Mr G referred his complaint to our service. RSA then offered to pay Mr G £50 because it failed to contact his insurance broker as promised. It offered a further £50 for not logging his complaint during a webchat. We put this offer to Mr G, but he didn't accept it.

One of our investigators looked into Mr G's complaint but didn't recommend that it be upheld. She said the underwriting information RSA had provided showed it hadn't treated him unfairly when calculating his premium. And that he'd been offered the 'equivalent new business price' (ENBP), which complied with the FCA's requirements. Our investigator explained it's not our role to tell RSA how its systems should operate. But noted it had provided feedback internally with regards to this point.

Our investigator noted that RSA had made an error and hadn't emailed Mr G's broker as promised. In a later email to Mr G, she clarified that RSA was responsible for underwriting and administering his policy. This meant it was responsible for responding to his complaint. She said it wasn't clear why it agreed to contact Mr G's broker or what the expected outcome of this was. Our investigator said this caused confusion and thought it fair that RSA had paid a further £50 compensation to Mr G for this.

Mr G didn't accept our investigator's findings and asked for an ombudsman to consider his complaint.

It has been passed to me to decide.

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 think the offer RSA made to Mr G is fair, so I won't ask it to do more. But as this wasn't offered until after his referral to our service, it means I'm uphold this complaint. Let me explain.

It's not our role to tell an insurer how to price its policies or what factors it should consider when calculating risk. An insurers approach to risk is for it to decide. That said we need to make sure that an insurer is applying a fair and consistent approach to all its customers. I've focused on that here.

We asked RSA if it could provide information to show that it had treated Mr G fairly. By this We're looking for it to show that it treated him no differently from any other customer in these same circumstances. RSA responded with information from its underwriters. This is considered commercially sensitive so I can't share it in full. But it explained that Mr G had received the ENBP. It said his renewal premium increase was reflective of the general level of increase applied across its premium calculations.

From the information I've seen Mr G's renewal was automatically generated. There was no manual input. This means the calculations followed RSA's established underwriting criteria. From this I'm satisfied that Mr G was treated the same as any other customer would be. The increase in his premium is slightly below what we've seen the industry average increase to be. So, I haven't seen anything that suggests RSA treated Mr G unfairly when setting his renewal premium.

Mr G initially said he was satisfied with the explanation RSA's agent gave over phone in relation to this matter. I don't have a recording or transcript notes for this call. So, I can't determine what was discussed. But I am satisfied from the information I've seen that the increase in Mr G's premium at renewal wasn't calculated unfairly. It's reasonable that an explanation of the increase was provided when requested by Mr G. But I don't think RSA needs to take any further action in relation to this point.

RSA has explained that it doesn't currently offer the option of cancelling online. Rather, it directs customers to make contact by phone, email, post, or webchat. It acknowledged Mr G's concern about stopping an auto-renewal, and what he said about the link provided for this option being in a small font. RSA confirmed it would feed this back within the business.

It's not the role of our service to tell RSA how to run its business or determine how its systems operate. I think it's fair that it provided feedback on the point Mr G made. But this isn't something I can consider further.

Similarly, complaint handling in itself isn't a regulated activity. This means I can't consider the issues Mr G raised about difficulties in making his complaint in my decision. However, I do note that RSA offered £50 compensation in relation to this point.

It can be confusing where there are different companies involved in the provision of an insurance policy. I understand why Mr G directed his complaint to his broker, and that he expected RSA would follow up on its promise to facilitate a response. But, as the underwriter and administrator for Mr G's policy its correct that RSA was responsible for dealing with his complaint. This could have been explained more clearly by RSA rather than telling Mr G it would contact his insurance broker as he requested. I think its offer to pay him £50 compensation is fair to acknowledge this.

I acknowledge what Mr G says about not being aware that RSA was the underwriter and administrator for his policy. Again, I understand that this can be confusing. But I can see

from the policy documentation sent to Mr G that RSA's role as underwriter and administrator was confirmed.

Mr G has asked that I provide a legal opinion on whether documents signed by RSA on behalf of his insurance broker are consistent with the terms and conditions of his policy. He asks if this gives justification for his broker to have "*zero responsibility*" in relation to his insurance cover.

It's not my role or the role of this service to provide legal advice or opinion. Mr G will have to seek this elsewhere outside of our process. But from what I've seen RSA carried out its role as policy administrator as it's expected to. I've not considered the role played by Mr G's insurance broker. My decision is about RSA.

Having considered all of this I don't think RSA treated Mr G unfairly when calculating his renewal premium or when this was communicated. However, it could have explained more clearly that it was responsible for his complaint in the discussions about Mr G's broker. It's fair that it pays Mr G compensation in light of this.

My final decision

My final decision is that I uphold this complaint. If it hasn't already Royal & Sun Alliance Insurance Limited should:

- pay Mr G the £100 in compensation it offered him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 27 June 2025.

Mike Waldron
Ombudsman