

The complaint

Mr C has complained that Saga Services Limited arranged the renewal of his car insurance policy without his consent. He's unhappy with the information Saga provided about the price of his policy.

What happened

Mr C bought a car insurance policy through the broker Saga in 2021 which locked the price of his insurance for three years, so until 2024.

A couple of months before the renewal date in 2024, Mr C told Saga he'd changed address. This prompted the premium Mr C was paying to the insurer to go up. Mr C was unhappy with this. To resolve the matter, Saga agreed to waive the increase in premium for the remainder of the policy term.

Around a month before the renewal date, Saga wrote to Mr C to provide information on the renewal premium which it could lock in for another three years. This was based on Mr C's recent change of address.

Mr C said he didn't receive a renewal invite setting out the premium and that Saga had renewed his policy without his consent. He said he didn't receive revised policy documents when he changed address in April 2024 as promised. He wants Saga to reduce the amount he pays to the premium before renewal in 2024.

Saga upheld Mr C's complaint in part. It agreed it had failed to provide updated documents to Mr C when he changed address in April 2024. But it didn't uphold the remainder of Mr C's complaint. In the renewal invite sent on 2 May 2024, Saga set out the premium it would collect if it didn't hear from Mr C. Saga responded on behalf of the insurer to say the price calculated was correct, and that a number of factors affect how an insurer decide a premium.

One of our Investigators didn't recommend the complaint should be upheld. He thought Saga had shown it had provided details of the renewal premium in good time for Mr C to make an informed decision. As Mr C had opted for automatic renewal, the Investigator said Saga had acted reasonably in renewing his policy. He was satisfied Mr C had been treated fairly.

Mr C disagrees and wants an ombudsman 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.

Saga as the broker doesn't set the insurance premium Mr C pays, but it looks at a panel of insurers for the best price for Mr C. The insurer has provided us with details of the insurance premium it charged Mr C at renewal in 2024 and this matches the breakdown provided in the renewal documents Saga sent to Mr C on 2 May 2024.

For the previous three years, Mr C paid a fixed price, to prevent an increase in his insurance premium. I understand Mr C says his change of address wasn't far from where he was previously living, and he hasn't made a claim under his policy.

However, it's been widely publicised over the last couple of years that the price of insurance has increased due to claims inflation and insurers facing rising costs in settling claims. This includes the cost of used cars going up as well as parts and materials. So even if Mr C hasn't made a claim, other factors in addition to Mr C's change of address, have affected the price an insurer charges consumers generally.

In the renewal invite Saga sent to Mr C on 2 May 2024, it clearly set out the renewal premium – and gave Mr C the option to shop around if he wasn't happy with the price. I understand Mr C says he didn't receive this. But I'm satisfied that it was sent by Saga.

On 22 May 2024 Saga sent Mr C confirmation it would renew his policy on 25 May 2024 along with policy documents. Mr C contacted Saga on 30 May 2024 to discuss the renewal premium from an email he'd received. So I'm reasonably satisfied that Mr C received one of the correspondence Saga sent, either on 2 and/or on 22 May 2024. This means Mr C was made aware of the renewal premium by Saga before the renewal date.

Mr C's policy was set to automatically renew each year with Saga. Before renewal in 2024, Saga reminded Mr C that if it didn't hear from him, it would renew his policy. So I'm satisfied Saga correctly renewed Mr C's policy - as it hadn't heard from him to ask it not to.

I appreciate that the price Saga quoted for the previous year's premium didn't match the actual amount Mr C paid. This is because it quoted the price Mr C would have paid, had it increased his premium when he changed address. But Saga agreed to waive the increase in premium for the remainder of the policy year until renewal in May 2024. So while I can understand this may have caused confusion, it doesn't change the fact that the premium was correctly calculated and Mr C wasn't at a disadvantage.

Taking everything into account, I think Saga acted reasonably and in line with the policy. This means I'm not asking Saga to do any more.

My final decision

For the reasons I've 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 C to accept or reject my decision before 13 May 2025.

Geraldine Newbold
Ombudsman