

The complaint

Mrs B and Mr I complain about an additional premium charged by Admiral Insurance (Gibraltar) Limited (“Admiral”) for their multicar motor insurance policy.

Mr I has acted as the main representative during the complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, by either Mrs B or Mr I as “Mr I” throughout the decision.

What happened

Mr I agreed to renew his policy for a price quoted by Admiral, but he says he later discovered Admiral had charged him an additional amount of £229.02. Mr I says he queried this and was informed the additional premium related to a claim he hadn’t disclosed. Mr I says he contacted his previous insurer, who he says had incorrectly recorded this claim, and they corrected this. Mr I says he has provided Admiral with all the information they’ve requested to recalculate his premium, but they didn’t refund him the £229.02. So, Mr I complained about this, and he also said Admiral hadn’t notified him of the additional premium.

Admiral responded and explained that the additional premium was applied proportionately across the five vehicles listed on his policy due to the incident which was recorded. Admiral said they’d calculated the premium correctly based on the information available to them. Admiral also explained they’d sent Mr I notification of the additional premium.

Our investigator looked into things for Mr I. He thought Admiral hadn’t treated Mr I unfairly in relation to the pricing. Mr I disagreed so the matter has come to me for a 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.

Having done so, I’ve decided not to uphold the complaint. I understand Mr I will be disappointed by this but I’ll explain why I have made this decision.

The role of this service when looking at complaints about insurance pricing isn’t to tell a business what they should charge or to determine a price for the insurance they offer. This is a commercial judgement and for them to decide. But we can look to see whether we agree a consumer has been treated fairly – so is there anything which demonstrates they’ve been treated differently or less favourably. If we think someone has been treated unfairly, we can set out what we think is right to address this unfairness.

I can see Mr I was quoted a price but, following validation checks carried out by Admiral, they noted a claim was showing on the Claims and Underwriting Exchange (“CUE”). In this case, this led to Admiral charging an additional premium. I can see Mr I then discussed the issue with his previous insurer and they wrote to him and said the incident, which occurred in 2022, had now been corrected on the CUE to show this as notification only. Mr I then

contacted Admiral, and they explained the additional premium still applied. I acknowledge Mr I's concern is that a change in the claim's status hasn't led to a refund of the additional premium.

Admiral have provided me with confidential business sensitive information to explain how the additional premium was calculated. I'm afraid I can't share this with Mr I because it's commercially sensitive, but I've checked it carefully. And I'm satisfied the additional premium he was charged has been calculated correctly and fairly and I've seen no evidence that other Admiral customers in Mr I's position will have been charged a lower additional premium, or no additional premium at all.

As mentioned above, I can't provide specific detail about Admiral's risk model, but I have seen the rating factors and loadings which were used to calculate the additional premium – and I can't say Admiral have treated Mr I unfairly here. I say this because these rating factors all relate to the presentation of risk, and they are the rating factors I would expect to see when an insurer is assessing risk for a motor policy. I can't say there are any rating factors here which are unusual, uncommon or unfair, so I can't say Admiral have acted unreasonably here. This forms part of Admiral's pricing model so it applies to all policies. I think that's important here as it demonstrates the pricing model used to rate Mr I's policy and calculate the additional premium was no different to what was used for any other customer in the same circumstances.

I acknowledge Mr I's point about how the price of the policy, when showing a claim, can be the same price when showing a notification only incident. But, I've seen how Admiral categorised this incident, both before and after the previous insurer corrected the details, and the individual rating factors which were impacted by this, and why it then led to the additional premium still being applicable. I can see Mr I maintains he didn't have any recordable incident, but Admiral have relied on information showing on the CUE – so I can't say they've acted unfairly in taking this information into account when rating Mr I's policy.

I acknowledge Mr I feels the additional premium is unfair and doesn't believe it's fair for there to have been no impact on the price following the change made to the CUE database. But it's for a business to decide what risks they're prepared to cover and how much weight to attach to those risks - different insurers will apply different factors. That's not to say an insurer offering a higher premium has made an error compared to an insurer offering a cheaper premium – but rather, it reflects the different approach they've decided to take to risk. The same also applies to rating factors. If an insurer decides to rate notification only incidents, it doesn't mean they've made an error, but rather, it reflects their risk strategy.

I do appreciate Mr I wants to know more detail around what specific factors have led to the additional premium, and he believes there has been a lack of transparency in Admiral not providing this information. Pricing is an area where the information which sits behind an insurer's explanation will often be commercially sensitive. So, I don't think Admiral have acted unreasonably in not providing Mr I with details of the specific ratings and loadings used to calculate the additional premium.

Mr I also raises a complaint about Admiral not notifying him about the additional premium. I've seen that Admiral did write to Mr I and informed him that they'd carried out some validation checks and noticed a claim had been made and, after re-rating the policy based on this, an additional premium of £229.02 was owed. I can see Admiral did also, at this point, give Mr I the option to cancel his policy. So, I can't say Admiral didn't notify Mr I of the additional premium.

I acknowledge Mr I says Admiral could've been more helpful in the process and says, instead, they let the matter continue for months. Looking though the information provided by

Admiral, I can't say they've acted unreasonably here. They originally rated the policy based on the information provided to them. After they discovered a claim showing on the CUE, they asked Mr I to provide them with information if he believed the data they'd used was incorrect. Mr I did then get in contact with his previous insurer and there was a period during which he engaged with them to correct the reported details on the CUE. But I don't believe this should've been Admiral's responsibility, as it was for Mr I to discuss the matter with his previous insurer and ask them to correct any details. Once Mr I's previous insurer corrected the details, Admiral then re-rated the policy – which is what I would've expected them to have done.

I acknowledge Mr I believes he hasn't been treated fairly. I fully understand why, on this basis, Mr I has complained, and I hope he feels reassured that I've checked the pricing information from Admiral. But I can't say they've made a mistake in how they've rated Mr I's policy or otherwise treated him unfairly in relation to the additional premium. I wish to reassure Mr I I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr I to accept or reject my decision before 20 June 2025.

Paviter Dhaddy
Ombudsman