

The complaint

Mrs A and Mr Z complain about the price charged by AXA Insurance UK Plc (AXA) for their home insurance policies, as they believe their no claims discount (NCD) wasn't properly applied.

While Mrs A and Mr Z have jointly referred the complaint as joint policyholders, Mr Z has been the primary contact during the complaint and with our service. So I'll refer mainly to him, but where I do so this should be taken to include Mrs A where appropriate.

What happened

Mrs A and Mr Z took out a home insurance policy with AXA in 2018, and renewed this each year.

In 2024, Mr Z complained to AXA about the premium quoted when his policy was due for renewal in 2024. He said that his NCD was 10 years and didn't believe this had been properly considered when calculating his premium. He was unhappy that the premium quoted didn't have a breakdown to show how the NCD had affected the amount charged.

When AXA rejected his complaint, he referred it to our service. Our investigator thought AXA had acted reasonably, and she'd seen evidence that the NCD had been applied to the premiums charged by AXA. Mr Z didn't accept this, noting his premiums had increased significantly despite his NCD increasing. He asked for an ombudsman's 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 agree with our investigator and am satisfied AXA has provided evidence showing the NCD was correctly applied to the premiums charged by AXA.

I say this because AXA has provided a breakdown for how the premium for each policy (the original policy and each renewal) was calculated, and each of these show the correct number of years of NCD (with the number increasing each year) and how that impacts the total charged. We can't share this as it contains commercially sensitive information.

Insurers will use a number of factors when calculating the premium charged, including the NCD. While a policyholder's NCD may increase each year, that isn't a guarantee the premium will decrease. The factors an insurer considers, and the weight it attaches to those factors when calculating premiums, are decisions for the insurer and not something we'd generally comment on. The weighting of each factor, and which factors are relevant, may change from year to year depending on an insurer's business decisions.

I understand Mr Z's frustration that despite not claiming, his premium increased. I also understand he'd have liked to have been provided with evidence of the impact of the NCD on the premium. I can't agree that would be something I could reasonably require of AXA, as

to do so would to effectively disclose commercially sensitive information.

I can assure Mr Z that while we can't disclose the factors or weighting which went into the premium calculations, the evidence I have is that his NCD was correctly recorded each year (increasing each time) and did impact the amount charged.

My final decision

I don't uphold Mrs A and Mr Z's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mr Z to accept or reject my decision before 28 May 2025.

Ben Williams
Ombudsman