

The complaint

Mr M complains about the price quoted by U K Insurance Limited (“UKI”) to renew his motor insurance policy. He also complains about their decision to decline to offer a quote the following year.

What happened

Mr M received a quote to renew his policy which he says was only slightly lower than what he’d paid the previous year. Mr M says he called UKI and spoke to an agent and was unhappy with the explanation the agent gave. He says the agent referred to his age as being a factor for the price and also suggested UKI could price match lower quotes – but this wasn’t correct. Mr M then decided to take out a policy with another insurer but was declined a quote from UKI the following year when he looked to obtain a new business quote. So, Mr M complained about these points.

UKI responded and explained the renewal price for 2024 was calculated by way of a comprehensive risk assessment which took into account a number of factors. They said the premium is set according to the perceived risk offered by the policyholder and their particular circumstances. They set out a range of factors they take into account when rating a policy and said they couldn’t share the precise factors which affected Mr M’s renewal price as it was commercially sensitive.

UKI said they could see Mr M tried to obtain a quote online in 2025 but this was declined. UKI said this was due to their underwriting criteria not being met, meaning they were unable to offer cover. They said, various factors are used to determine who they can and can’t insure and this changes regularly to reflect market conditions. They said this doesn’t though stop Mr M from trying again in the future.

UKI accepted their service fell below a reasonable standard when Mr M called them and spoke with an agent about the renewal price. They apologised for the way in which the call was handled and explained age is one factor, but it’s not the only one. They also explained they couldn’t price match quotes from other providers. UKI then confirmed they’d sent compensation of £30 to Mr M.

Our investigator looked into things for Mr M. He thought UKI hadn’t treated Mr M unfairly in relation to the pricing and didn’t uphold the complaint. Mr M 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 M will be disappointed by this but I’ll explain why I have made this decision.

Renewal price

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 M paid a premium of £6,075.62 for his policy in 2023 and was then quoted £6,023.94 for his policy in 2024. Mr M says, taking into account his No-Claims Discount ("NCD") and the fact that he was now a year more experienced, he doesn't believe it's fair for the price to have been reduced by such a small amount. So, I do understand why Mr M is concerned.

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

I've seen how Mr M's policy was rated and the loadings which have led to the price. This forms part of UKI's pricing model so it applies to all policies. I think that's important here as it demonstrates the pricing model used to calculate Mr M's premium was no different to what was used for any other customer in the same circumstances. UKI have also provided evidence which shows how their view of risk changed and the specific ratings which were impacted by this. UKI have described how they refreshed their rating system to more accurately reflect the expected costs they underwrite and how this led to Mr M's premium still being relatively similar to the previous year's price. So in short, they have treated all customers the same with the pricing structure and Mr M hasn't been treated differently or unfairly when they chose to change their approach.

I think it's also important to mention, 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 – and this includes the cost of used cars going up as well as parts and materials. And the information I've seen does show claims inflation has had an impact on Mr M's price.

I've also looked at the rating factors UKI have used to rate and price Mr M's policy and I can't say any of these are unusual or uncommon when rating a motor insurance policy. I acknowledge Mr M feels it's unfair for the price not to have reduced by a greater amount given his NCD and him being a year more experienced. I also acknowledge Mr M's concern about finding a lower price through a different insurer. 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.

This similarly applies to rating factors and loadings. It's for an insurer to decide what rating factors and loadings to apply to a policy. In this case, it's for UKI to decide how they rate an additional year's NCD and experience of driving.

I acknowledge Mr M is also concerned about age being a factor affecting the price and believes this is unfair given that he's taking all steps and measures to demonstrate he's a safe driver. It's not unusual or uncommon for insurers to rate a policy based on a customer's age. So, I can't say UKI are adopting an approach which discriminates against customers in a specific age group – or which otherwise treats them unfairly. But in this case, I can see age

wasn't the only factor which UKI took into account. As I've said, I've seen the rating for other factors linked directly to UKI's view of the risk presented by those factors.

I do appreciate Mr M wants to know more detail around what specific factors have led to the price and he was left frustrated at not receiving a clear explanation for this. Pricing is an area where the information which sits behind an insurer's explanation will often be commercially sensitive. So, I don't think UKI have acted unreasonably in not providing Mr M with details of the specific ratings and loadings used to calculate the price.

Decision to decline to offer a quote

The information shows Mr M took out a policy with another insurer in 2024, but then sought a quote from UKI the following year. UKI declined to offer a quote. I can see Mr M believes he has been placed on a list barring him from being offered a policy by UKI.

UKI have, again, provided me with confidential business sensitive information – more specifically, their underwriting criteria. This information shows the reasons they declined to offer Mr M a quote. Having looked at the reasons, I can't say UKI have treated Mr M unfairly or differently to any other customer in the same circumstances. The reasons for the decision to decline to offer a quote form part of UKI's underwriting criteria, so they apply in the same way to all customers. And I wish to reassure Mr M that I haven't seen any evidence which suggests he has been placed on a list barring him from being offered a policy by UKI. I acknowledge Mr M might feel it's unfair for UKI to not offer him a quote given that he was a previous policyholder. But, UKI have provided information which shows how they've changed their underwriting rules since Mr M took out his original policy. And, as mentioned above, it's for a business to decide what risks they're prepared to accept.

Customer service

There's no dispute between the parties about this part of the complaint. UKI accept they got things wrong as their agent gave incorrect information and didn't explain things properly in relation to the pricing of Mr M's renewal. I've listened to the call and agree there were errors made by the agent as identified by UKI. I've taken into account though that things were rectified shortly after as the matter was escalated in the same call and Mr M spoke with a different agent who confirmed the position in relation to price matching a quote Mr M had received. So, I think there was some mismanagement of Mr M's expectations, and I think the £30 compensation paid by UKI is fair in the circumstances.

I acknowledge Mr M believes he hasn't been treated fairly. I fully understand why, on this basis, Mr M has complained, and I hope he feels reassured that I've checked the pricing information from UKI. But I can't say they've made a mistake in how they've rated Mr M's policy or otherwise treated him unfairly. I wish to reassure Mr M 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 Mr M to accept or reject my decision before 29 May 2025.

Paviter Dhaddy
Ombudsman