

## **The complaint**

Mr T complains about the renewal price Evolution Insurance Company Limited offered him for his boiler cover insurance policy in September 2024.

## **What happened**

Mr T purchased a Heating Care policy from Evolution via an online price comparison website in September 2022. He paid £4.25 a month for 12 months with a excess of £95. He was sent a renewal quotation in September 2023 and called Evolution to discuss it. He was offered a reduced price following a downgrade to a Boiler Care policy and on 5 October 2023 renewed his policy for £4.44 a month for a further year with a £95 excess.

In September 2024 Mr T was sent a renewal quote of £13.32 a month for 12 months with a £95 excess. Rather than calling Evolution to discuss his renewal Mr T applied for quotes via a price comparison website, and found cover with Evolution for £4.44 a month, the same price he'd paid in the previous year. So he purchased a new policy at this price.

Unaware that Mr T had purchased a new policy Evolution sent him a number of emails about his renewal, each one offering an increased discount on the initial renewal price he'd been quoted.

Mr T emailed Evolution on 8 October 2024 to raise a complaint about his renewal price. They issued a final response to his complaint on 10 October 2024. In this they said his renewal was just an invitation and it was solely his decision whether to renew his policy. And that his policy explains that the price of his cover may change at renewal to reflect factors including inflation, new product features, regulatory/legal changes or to cover their administration and operating costs.

They confirmed that not having heard from Mr T they sent him a number of discounted renewal quotations, the last being on 4 October 2024, which was £4.44 a month, the price he'd paid in the previous year. But as he didn't respond his policy was cancelled at renewal on 5 October 2024.

Evolution also said the prices offered on their website and price comparison websites are for new customers and are introductory offers. And as they'd offered him heavily discounted prices and made reasonable attempts to contact him to discuss his renewal they didn't uphold his complaint.

Mr T then contacted our service. Our investigator considered the case and said he had to be satisfied that the renewal price Mr T had been offered was fair. He asked Evolution to provide underwriting evidence and a detailed breakdown of how Mr T's renewal price had been calculated. Evolution referred our investigator to general information on their website about policy pricing, offers to new customers and discounts, but didn't provide the information he'd requested.

Our investigator issued an opinion in which he said our service can't tell an insurer what to charge a customer, but they do need to treat their customers fairly, by pricing policies in line

with their pricing structure. And show they haven't treated Mr T differently to any other customer.

While our investigator said he understood that information about pricing can be commercially sensitive, the powers given to us by the Financial Conduct Authority (FCA) enable us to request this information. And as Evolution hadn't provided this he said they'd not shown that Mr T had been treated fairly. And he said Evolution should pay Mr T £300 compensation for the distress and inconvenience he'd suffered as he'd been shocked by his renewal price and had to invest time in sourcing a new policy.

In response to our investigator's opinion Evolution provided further information about their pricing structure. Our investigator considered this and issued a further opinion. In this he said that Evolution had provided general information about the pricing structure they used when offering premiums at renewal, which showed an upper and lower bracket for premiums. But while Mr T's premium was within these brackets, Evolution hadn't shown that a 300% increase in his premium was fair.

Our investigator also reviewed the amount he'd previously awarded for distress and inconvenience. He said that while Mr T had needed to source a further policy, he hadn't considered that he'd been able to do this in a short period, which he felt mitigated some of the inconvenience he'd experienced. So he said Evolution should pay £150 to Mr T for distress and inconvenience.

Mr T was unhappy with the reduced level of compensation awarded but after further explanation of our investigator's reasoning accepted it. Evolution didn't accept our investigator's further opinion and advised us that Mr T's agreement was made up of two separate contracts. An insurance contract covering boiler repairs, which is a regulated agreement within our jurisdiction, and a non-regulated boiler service agreement which is outside our jurisdiction.

Evolution provided details of Mr T's customer journey with them. In September 2022 they said he's purchased a 24/7 Heating Care policy at £4.25 a month with a £95 excess. The pricing of the policy was £27 for his insurance policy and £24 for his boiler service.

In September 2023 his renewal was sent which quoted £12.75 a month with a £95 excess. Rather than renewing his 24/7 Heating Care policy Mr T downgraded this to a 24/7 Boiler Care policy at £4.44 a month with the same £95 excess. The cost of his insurance cover was £53.28 with a free boiler service due to downgrade in the policy.

In September 2024 Mr T was sent a renewal quote for his 24/7 Boiler Care policy at £13.32 a month with a £95 excess. The cost of his insurance was £63.84 and the boiler service £96.

So in respect of the insurance cover Evolution said the cost of the Heating care policy increased from £2.25 in September 2022 to £4.75 in September 2023. And the cost of the downgraded Boiler Care policy increased from £4.44 in September 2023 to £5.32 in September 2024.

If a policy is renewed after 12 months Evolution said customers benefit from free boiler replacement or a contribution towards a new boiler, depending on the age of their boiler. And the cost of this cover is included within the renewal price. So they maintained that the price of Mr T's renewal was fair and he wasn't unnecessarily impacted.

In respect of the distress and inconvenience Mr T says he suffered as a result of the increase in the cost of his renewal in 2024 Evolution said his expectations in respect of price increases have been managed throughout his customer journey with them. At inception they

say his policy schedule confirmed that the cost of his boiler service was free, or heavily discounted. And he was made aware that the cost of his policy would increase on renewal and he wouldn't be entitled to any introductory offers on renewal.

Evolution also refer to a call they received from Mr T regarding his renewal on 2 October 2023. From the conversation that took place they say Mr T was well aware of introductory offers and that prices increase at renewal. So they don't accept that he suffered any distress or inconvenience when his renewal price increased in 2024, as he'd previously told them he'd go elsewhere for a cheaper price and then might come back to them the following year to benefit again from their introductory offers.

Based on the further information provided by Evolution our investigator issued a further opinion. In this he said that he was only able to consider the insurance cover offered for home emergencies, not the service plan covering an annual boiler service.

Looking at the insurance contract he said that in October 2023 the total policy premium was £53.28 and the service plan was provided at no extra cost, as Mr T had changed his policy type and received an introductory offer on the service plan.

In September 2024 the total renewal premium quoted was £159.84, which was £63.84 for the contract of insurance and £96 for the boiler service plan. While the insurance premium had increased by £10.56 our investigator said the level of cover had increased to include boiler replacement. So taking this into account he didn't think the increase was unreasonable or unfair.

Our investigator said Evolution had applied a discount to the price of the insurance contract during the renewal process to offer an overall price that was the same as in the previous year. He said we accept the insurers are able to offer a discount to consumers during the renewal process, as this is a commercial decision which a business can take to retain customers.

But we'd only consider this fair if the initial premium offered was in line with Evolution's pricing structure. And based on the evidence they'd provided he was satisfied that it was. So our investigator wasn't able to say that Evolution had acted unfairly, or made an error in the premium they'd offered, so they didn't need to pay Mr T any compensation to resolve his complaint.

Mr T didn't accept our investigator's revised opinion as he said Evolution had failed to provide him with a meaningful explanation of his premium increase, which would have resolved his complaint. Which he feels wasn't acting in his best interests and led to him referring his complaint to our service.

And he says that our investigator didn't consider that Evolution had failed to comply with s 6.5(3)(c) of the Insurance: Conduct of Business (ICOBS) by making him aware at renewal that he should check the level of cover was appropriate for his needs and that he could, if he wished to compare the prices and level of cover offered by other providers.

The case has now 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.

It's unfortunate that we didn't have the information Evolution provided regarding their policy

pricing structure at an earlier stage, and I can understand Mr T's frustration regarding this. But up until a final decision is issued we will consider relevant information provided by either party to allow us to reach a fair and impartial outcome.

Mr T is unhappy about how Evolution responded to his complaint and says had they provided a proper response to his complaint it would have been resolved and he wouldn't have needed to contact our service.

I understand the point he's making but our role is to reach a fair and impartial resolution to complaints, and how the complaint itself has been handled by the business isn't directly related to his complaint about the pricing of his insurance policy, so it's not something I can consider.

While I'm considering this complaint based on all the information provided by the parties I believe that part of Mr T's concern about our investigator's outcome is that initially he asked Evolution to pay compensation and then revised his opinion regarding this. Based on the information I've seen regarding the 2024 renewal process and the actions taken by Mr T, I'm not persuaded that he suffered any distress and inconvenience as a result of his increased premium.

I say this because of the conversation he had with Evolution in October 2023 regarding his renewal. It's clear from this conversation that Mr T was aware that he could shop around for a better deal when renewing his policy, which was exactly what he did in September 2024.

Mr T was said that Evolution didn't provide him with a statement saying he should check the level of cover offered was appropriate for his needs, and that he could if he wished compare the prices and levels of cover offered by other providers in line with ICOBS 6.5 (3) (c). Even if this is correct I'm not persuaded that this had any impact on Mr T as he'd already used a price comparison website to find a cheaper policy with Evolution. And this is something he'd told them in October 2023 he intended to do.

I need to consider if Evolution treated Mr T fairly with regard to the renewal price he was offered in September 2024. Evolution have provided information confirming that his Boiler Care cover included an insurance product which is regulated and within our jurisdiction, and a service plan providing an annual service for his boiler which is unregulated and outside our jurisdiction.

Mr T says the cost of his policy increased by 300% in September 2024 and this isn't fair. Evolution have provided evidence that in October 2023 the total price Mr T paid was £53.28 for his insurance cover and the service plan for his boiler was provided at no cost, due to an introductory discount.

In September 2024 the total renewal price quoted was £159.84, £63.84 for the insurance cover and £96 for the boiler service plan as the introductory discount was removed. Evolution have told us that the policy benefits had been increased to include additional benefits including boiler replacement, or a contribution towards this, so I don't think the increase was unfair. And Mr T's policy document had notified him that his premium might increase.

Mr T was offered a number of discounts when he didn't contact Evolution to renew his policy. Such discounts are a commercial decision made by a business to retain customers and we wouldn't interfere in this.

But this would only be considered fair if the initial premium Mr T was offered was in line with Evolution's pricing structure. Evolution have provided evidence to show this was the case.

This can't be shared with Mr T as it's commercially sensitive, but I'm satisfied the premium he was offered is in line with their pricing structure and a figure that would be offered to other customers at renewal.

So I'm satisfied Evolution didn't act unfairly in relation to the renewal premium they offered Mr T in September 2024 and I won't be asking them to do anything.

### **My final decision**

For the reasons set out above my final decision is that I don't uphold Mr T's complaint about Evolution Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 18 July 2025.

Patricia O'Leary  
**Ombudsman**