

## The complaint

Mr W is unhappy with the service provided Admiral Insurance (Gibraltar) Limited (Admiral) when dealing with renewal of his home insurance policy.

## What happened

Mr W took out home insurance with Admiral in 2022. Mr W complained to Admiral about the increase in premiums in 2024 and 2025. Mr W said his subsidence claim reported in May 2023 hadn't been concluded and the steep increase in premium wasn't justified.

Admiral responded to Mr W's complaint saying that while the cost of Mr W's claim can have an impact on the price of the premium, one of its main rating factors is whether you have made a claim or experienced a loss in the past five years. Admiral didn't offer to do anything in settlement of Mr W's pricing complaint. Admiral accepted its customer service had been poor in respect of the communication with Mr W and paid Mr W £100 for the distress and inconvenience caused to Mr W.

Mr W was unhappy with this response and brought the complaint to the Financial Ombudsman Service. The Investigator found that Admiral's explanation was reasonable, and didn't ask Admiral to do anything in settlement of Mr W's complaint. Mr W rejected these findings. As the complaint couldn't be resolved, it has been passed to me for 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've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it has affected what I think is the right outcome.

It's not disputed that the cost of Mr W's home insurance policy has increased over the years. When Mr H took out his policy in 2022, he paid £529.34 for his annual premium. In 2023 Mr W paid £470.23 for his annual premium. Mr W reported a subsidence claim in May 2023, and in 2024 paid £791.39 for his annual premium. In 2025 Mr W received a further renewal for his policy at a cost of £1,160.20.

A customer may expect a simple explanation for a price increase like Mr W has experienced. But for an insurer, there may be hundreds, or even thousands of variables it has to consider when setting a premium – including its own commercial requirements. And we generally take the view that, providing they treat people fairly - that is they treat customers with similar circumstances in the same way - insurers are entitled to charge what they feel they need to in order to cover a risk.

I understand one aspect of Mr W's concern is that he feels he has no option but to remain with Admiral given the subsidence issue. I can see Mr W has highlighted the difficulties of finding insurance elsewhere. I acknowledge Mr W's concern, but I do wish to reassure Mr W

that I've checked the pricing information carefully and I've seen the factors which have impacted the price.

As our Investigator outlined, the information we've received from Admiral about its pricing strategy, and how it has impacted Mr W's premiums, is commercially sensitive. I recognise this may leave Mr W dissatisfied with my reasoning, but I'll explain as much as I can. And I assure Mr W I have sufficient, persuasive information with which to reach this decision.

Admiral says the increases have been due to a number of factors, including general inflation, as well as being related to claims. We'd expect these factors to impact the cost of an insurance policy, and this is in keeping with what insurers consider when rating their policies. I haven't seen any evidence that Admiral calculated the premium incorrectly based on Mr W's claim history and the general increase allowing for inflation.

Mr W feels strongly that making a claim for subsidence has unfairly impacted the premiums charged by Admiral for the 2024 and 2025 renewal. When Mr W made his complaint to Admiral in September 2024, it was only the 2024 renewal that he'd paid for and was unhappy about. Admiral has explained that this renewal didn't include any additional loading to reflect the subsidence claim made against the policy in May 2023. So, I'm satisfied that although the claim itself was considered, the fact that it was for subsidence specifically, had no impact on the premium charged in 2024.

The subsidence claim was included when rating the policy for the 2025 renewal. But from looking at the information provided by Admiral, I'm satisfied Admiral has treated Mr W as it would other consumers with similar circumstances. I've also considered the other loadings applied when calculating the cost of Mr W's premium for the renewals in 2024 and 2025, and I haven't seen anything unusual to indicate that Admiral has acted outside of what we'd expect from an insurer when rating a policy.

Although I'm not able to explain to Mr W (in the detail that he is expecting) why the premium for the policies offered in 2024 and 2025 was much higher than what Mr W paid for his policy previously, I'm satisfied that Admiral has dealt with Mr W fairly and that it hasn't singled him out.

I can see Mr W has also raised concerns about whether Admiral's actions are consistent with obligations set out by the Consumer Duty principle. The Consumer Duty applies to open products and services from 31 July 2023. Given Mr W's renewals are after this date, I've looked into this further and I've considered the 'Price and value' outcome as I believe that is what is relevant to Mr W's concerns.

I think it's important to add, this isn't a price-setting rule. The Financial Conduct Authority ("FCA") expects firms to assess their products and services to ensure there is a reasonable relationship between the price paid for a product or service and the overall value and benefit a consumer gets from it. When assessing whether the price of a product/service provides fair value, insurers must include consideration of at least the nature of the product/service including the benefits that will be provided and their quality, any limitations that are part of the product/service, and the expected total price customers will pay.

In deciding this complaint, I've kept in mind the FCA's expectation that there should be a relationship between price and value. While looking into the price charged by Admiral, I've also considered the benefits provided and whether the policy offered Mr W fair value. I've firstly considered the value measures data published on the FCA's website. The FCA has been focusing on value measures in insurance across a number of products which includes data on how often consumers are claiming on their insurance policy, how likely it is for a claim to be accepted, and the average claims payout.

Looking more specifically now to Mr W's circumstances, I can see the home insurance policy provides cover against a range of perils linked to both buildings and contents. I can't say Admiral have provided Mr W with a product which isn't comparative with similar products across the market. I think it's also important to point out that the cover and benefits provided by Admiral under this policy are broadly consistent with what I would expect to see from such a policy. So, from the information I've taken into consideration, I can't say Admiral haven't met their obligation to offer fair value to Mr W.

I note part of Mr W's concerns are that his subsidence claim hasn't yet been concluded, and so he thinks Admiral's pricing doesn't reflect the true facts of his claim. I accept Mr W escalated Admiral's declination of his subsidence claim to the Financial Ombudsman Service, and this is being considered by another ombudsman, awaiting a final decision.

I've based my decision about Mr W's pricing complaint (the scope of this complaint) on the current evidence. This is what Admiral used to calculate the premium charged for the 2024 and 2025 policies at the time that they were taken out. I can't comment on the impact on the price charged based on what the final decision will say about Mr W's subsidence claim.

I understand that in response to the Investigator's findings, Mr W has raised concerns about Admiral failing to make reasonable adjustments in line with General Data Protection Regulation and the Equality Act 2010 when communicating with him. That isn't something I can comment on as part of this decision, Admiral hasn't, as far as I can see, been made aware of a complaint about that issue. I also can't see this in the complaint form sent to the Financial Ombudsman Service. If Mr W wants to raise that point with Admiral, he will need to contact it first.

### **My final decision**

For the reasons provided I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 14 August 2025.

Neeta Karelia  
**Ombudsman**