

The complaint

Mr B and Mrs B complain about the price charged by Accredited Insurance (Europe) Ltd ("Accredited") to renew their home insurance policy.

Mr B 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 Mr B or Mrs B as "Mr B" throughout the decision.

What happened

Mr B says he reported an incident to Accredited and they arranged for a surveyor to attend, who carried out an inspection, following which Accredited declined the claim. Mr B says he then reported a second, and separate, incident which Accredited categorised as subsidence. Mr B says he then received a renewal invite which took into account both claims and quoted a price which was significantly higher than what he'd paid the previous year. So, Mr B complained about the price increase and also said the second claim had been incorrectly categorised as subsidence.

Accredited responded and explained, when a policy is set up or renewed, they consider certain risk factors to calculate the premium. They said, one of the ways they assess the risk factors is to ask a series of questions during the insurance application, as well as accessing other data such as crime statistics for that area, previous flooding, recent claims and other factors. They said claims are more expensive to resolve than before due to the increased cost of labour and materials and, as a result, insurance companies are having to increase prices. In response to our service, Accredited acknowledged an incorrect decision had been made on the second claim and recorded the claim under 'Accidental Damage'. Accredited explained they'd re-calculated the premium on this basis, and this showed a refund was due to Mr B in the sum of £56.67 – and they offered to refund this.

Our investigator looked into things for Mr B. He agreed Accredited should refund the difference of £56.67 but recommended they also add 8% simple interest. Accredited didn't respond, and Mr B 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 to partly uphold the complaint. And, I think the investigator's recommendation is a fair way to resolve matters. I understand Mr B and Mrs B 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 B paid a premium of £267.75 for his policy in 2023 and was then charged £1,029.29 for his policy in 2024. This represents a 284% increase in price, so, I do understand why Mr B is concerned.

I think it's important to mention, Accredited have confirmed the second claim has now been recorded as Accidental Damage rather than subsidence. In a separate complaint considered by our service, Accredited offered compensation for, "...*the incorrect decision being reached on the claim...*" That being the case, I think it was fair for Accredited to re-rate the policy and calculate the price based on this amended information. The re-rated price came to £972.62, so I think it's fair and reasonable in the circumstances for Accredited to refund the difference of £56.67 to Mr B. I agree with our investigator that, given Accredited accept they reached an incorrect decision, they should add 8% simple interest to this amount.

I acknowledge that still leaves the price being significantly higher than what Mr B had paid the year before, but I don't believe Accredited have acted unfairly here. There are two claims recorded against the policy, but I can't say Accredited have acted unreasonably in recording two claims. While the first claim didn't lead to a settlement for Mr B, the information shows this claim did generate a cost for Accredited with a fee being paid for a contractor. So, I can't say it was unreasonable for Accredited to record this as a claim, as they have incurred an outlay. And, there's no dispute that there was a second claim, which has been correctly recorded now.

Accredited have provided me with confidential business sensitive information to explain how Mr B'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 Accredited have charged, following the policy being re-rated, has been calculated correctly and fairly and I've seen no evidence that other Accredited customers in Mr B's position will have been charged a lower premium.

I can see Accredited have taken into account two claims – and it's not unusual or uncommon for the price to be affected by a claim. It's important to mention, the claims aren't the only factors which have contributed to the price increase. I've seen how Mr B's policy was rated and the loadings which have led to the price. This forms part of Accredited'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 B's premium was no different to what was used for any other customer in the same circumstances.

Accredited have also provided evidence which shows how their view of risk changed and the specific ratings which were impacted by this. So, in short, they have treated all customers the same with the pricing structure and Mr B hasn't been treated differently or unfairly when they chose to change their approach.

I can see Accredited did refer to claims inflation in their complaint response. It's been widely publicised over the last couple of years that the price of home insurance has increased due to claims inflation and insurers facing rising costs in settling claims – and this includes the cost of labour and building parts and materials. This again isn't unusual or uncommon, so I can't say Accredited have acted unfairly here.

Putting things right

I've taken the view that Accredited's offer to put things right for this complaint isn't fair. So, Accredited should refund Mr B and Mrs B £56.67 together with 8% simple interest per year from the date Mr B and Mrs B paid for their 2024 policy to the date of settlement. Accredited should provide Mr B and Mrs B with a certificate showing any taxation deducted.

My final decision

My final decision is that I uphold the complaint. Accredited Insurance (Europe) Ltd must take the steps in accordance with what I've said under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 19 September 2025.

Paviter Dhaddy
Ombudsman