

The complaint

Mr S complains about Sabre Insurance Company Limited ('Sabre') and says they unfairly increased his premiums on his motor insurance policy.

What happened

Mr S took out a motor insurance policy with Sabre in September 2022 as an international license holder. He later obtained a full UK driving license in July 2023 – but when his policy with Sabre renewed in September 2023, the change of license wasn't recorded. When Sabre identified this change, they contacted Mr S to let him know they would be adjusting his premiums, because they said holding a full UK license increased the price.

While Mr S said he agreed he hadn't notified Sabre about the change and agreed that they were able to change the total annual premium based on this change – he questioned the amount of the increase and wanted to know if this had been applied fairly. Mr S complained to Sabre and said their correspondence which outlined the premium increase had inconsistencies and contradictions in the amounts being charged.

Sabre considered the complaint and upheld it in part. They said they couldn't provide a breakdown of the renewal premium offered, as this was business sensitive information. But they did agree there had been some confusion in the figures and dates used in the correspondence to Mr S explaining the increase. So, they awarded £25 in recognition of this.

Mr S remained unhappy with Sabre's response to his complaint, so he brought it to this Service. An Investigator looked at what had happened but didn't recommend the complaint should be upheld. He said Mr S hadn't notified Sabre that his license type had changed when he renewed the policy. And he said as Sabre would have charged a higher premium if they'd known about the change – this would be considered a qualifying misrepresentation under the relevant law; the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA).

The Investigator explained that Sabre had followed the approach under CIDRA, as they'd appeared to class the misrepresentation as 'careless' and wrote to Mr S to offer to continue to cover him at an increased cost. He also outlined that this Service wasn't able to tell a business what they can charge for a policy or how they choose to assess risk. But he explained that Sabre had provided evidence of the increased premium, and he was satisfied they'd acted fairly and reasonably in applying the increase.

Mr S responded to the Investigator's outcome and said he agreed he'd made a careless qualifying misrepresentation that allowed Sabre to charge an increased premium. But he didn't agree with the amount of the premium increase. And he said the calculations Sabre had used or how they'd communicated this to him were incorrect and confusing.

I issued a provisional decision on this complaint in April 2025 and I explained that I was minded to uphold the complaint. I said this was because while I was satisfied that all parties agreed a misrepresentation occurred when the policy was renewed – I didn't think Sabre had acted fairly in response.

I explained that while I couldn't consider the policy's premiums or the calculations themselves; I could look at how this information was provided to Mr S, in line with Sabre's regulatory obligations to provide information that is clear, fair, and not misleading. I said this was one of Mr S' main complaint points, as he said the correspondence he received contained different figures which led to confusion for him.

In respect of the information provided by Sabre in their final response, dated October 2024, Sabre said the total premium Mr S owed had been calculated at £3,048.64. I said it would have been beneficial for Sabre to provide a more detailed breakdown of how this was calculated, given Mr S' concerns he previously raised. I asked Sabre for a breakdown as part of my review of this complaint and they explained they'd received a total of £3,026.24 from Mr S's broker, which was £2,702 plus Insurance Premium Tax (IPT) of 12%.

I recognised that this figure didn't tally exactly, as Mr S's broker appears to have retained some portion of it as their commission. And Sabre said the total was within an acceptable range with commission and rounding. But the figure showed it was made up of a backdated premium of £371.72 from 15 July 2023 to 5 September 2023 and then £2,354.91 from 5 September 2023 to 4 September 2024 which is £2,726.63 – the figure Mr S paid.

However, I said that while this total figure included a backdated premium of £371.72 from 15 July 2023 to 5 September 2023 – there was no remedy for an insurer to re-rate premiums on a closed policy; because a consumer can't take the option of cancelling the policy to avoid paying additional premiums or having a claim proportionately settled, so their freedom of choice is restricted unfairly.

I concluded that Mr S should only have been given the option to pay the additional premium for the policy between 5 September 2023 and 4 September 2024, which would mean Sabre needed to refund the backdated sum of £371.72 – plus 8% simple interest. I invited both parties to provide a response to my provisional findings.

Sabre provided several responses in which they said in summary:

- They hadn't charged Mr S for the previous policy year and provided breakdowns which showed the premium they'd charged was for the from September 2023 to September 2024 policy only.
- They said they were not sure why Mr S had been charged what he had, and this should be directed to the broker of his policy as they were unable to comment on what the broker requested from Mr S and why they had done this.

Mr S also provided a range of responses which were very helpful in progressing this complaint. But in summary, he agreed that Sabre had requested a premium adjustment plus insurance premium tax ('IPT'), and it appeared to him that many of the issues he had experienced had been a result of his broker's actions.

As both parties provided additional submissions following my first provisional findings and have now agreed with my conclusions in response to those, I will now set out my final decision below.

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, while I remain of the view that Sabre have caused confusion to Mr S and should pay a sum of compensation, it has now been established that Sabre did not backdate Mr S' premium to a closed policy. As I explained previously, Sabre sent me information on how they calculated Mr S' increased premium. This is sensitive commercial information, so I can't share it. But I've considered the information provided, and I'm satisfied it shows an established process when calculating Mr S' premium which would have been higher as a result of his license type being correctly disclosed. And I'm overall satisfied that Sabre's figures are correct.

Sabre have confirmed that the original premium for Sept 2023 to Sept 2024 was £1,983.19. The mid-term adjustment Sabre requested was an additional £2,726.63 + IPT (£3,053.82). Sabre requested this sum from the broker which they confirmed was paid to them, but the broker only charged £2,726.63. Sabre have not been able to confirm this difference, but my conclusions are that these would form part of a separate complaint against the broker. And this means I won't be asking Sabre to do anything more in this respect. Mr S and Sabre have both confirmed they are in agreement with these conclusions.

What was the impact

While I am naturally sympathetic with Mr S's situation - I'm mindful that many of the concerns and documented impact he has outlined relates to actions his broker took. And that means I wouldn't be able to hold Sabre responsible for anything they did.

But I do remain of the view that if Sabre had taken steps to provide a more detailed breakdown, a lot of confusion could have been avoided. For example - given the figures Mr S received did not fully provide clarity to what he was being charged, I think Mr S has experienced confusion and inconvenience in trying to understand the premiums Sabre were outlining. Even at the point of his complaint, Sabre's letter provided a total figure which included IPT – despite the broker's letter not using IPT.

This would have understandably confused Mr S and so I think Sabre acted unfairly. While many of the issues appear to be points Mr S would need to direct to his broker – I think Sabre could have done more here and I think this could have avoided a lot of additional uncertainty for Mr S. It follows that I think Sabre should pay a sum of compensation to reflect the impact their actions had.

Mr S has previously outlined the impact Sabre's actions had on him when dealing with this claim. Having thought about the impact to Mr S, I remain satisfied that a compensation award of £250 is reasonable in the circumstances and produces a fair outcome to this complaint.

My final decision

For the reasons given above, my final decision is that I uphold this complaint in part and direct Sabre Insurance Company Limited to:

- Pay Mr S £250 compensation for distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 June 2025.

Stephen Howard
Ombudsman