

## **The complaint**

Mr F has complained that the premium he pays for his commercial vehicle policy with Wakam UK Limited ('Wakam') increased substantially.

## **What happened**

Mr F has a courier policy with Wakam which renews every three months. When he first took the policy out in November 2022 his premium was £0.57 per hour. The premium steadily increased with each renewal and at his last renewal, in February 2025, the premium went up to £1.60 per hour.

Mr F complained to Wakam about the latest increase and said he couldn't understand it bearing in mind he'd never had an accident or made a claim. Wakam didn't uphold the complaint and said that prices fluctuate due to various factors including the rise in the price of vehicle parts and labour costs across the insurance industry.

Unhappy with Wakam's response, Mr F brought his complaint to our service. He said the rise in his insurance premium meant that his salary had effectively decreased significantly.

One of our investigators reviewed Mr F's complaint but didn't think it should be upheld. Our investigator said Wakam was able to demonstrate that Mr F's premium was calculated using the correct details.

Mr F didn't agree and asked for an ombudsman's decision, so the matter was passed to me to decide.

## **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.

Insurers calculate premiums based on an assessment of the risk they are presented with. There are many different ways in making that assessment and each insurer tends to rely on its own data and criteria which is why prices vary between insurers.

It's not the role of this service to tell an insurer what criteria it should use when pricing an insurance policy or what loading/weighting to apply. Those are commercial, business decisions that each insurer is free to make. It's also not our role to fine a business or to ask it to change its practices. Those are matters for the regulator, the Financial Conduct Authority, to consider.

The role of this service is to deal with individual complaints and in doing so we can consider

whether an insurer has acted fairly and reasonably when calculating the insurance premium for individual customers, given their individual circumstances.

As insurers constantly update how they rate risk this means that their rates continually change. Wakam has provided us with confidential business sensitive information to explain how Mr F's price increase was calculated. I'm afraid this isn't something I can share with him, but I have checked this information carefully. Having done so, I'm satisfied that the price Mr F was quoted has been calculated correctly and all of Wakam's customers in his position will have been charged a similar premium.

I appreciate that the increase in Mr F's premium since 2022 has been substantial. I think it is important to explain that 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 F's premium.

I appreciate Mr F will be disappointed with this decision. I know he feels strongly that the increase in his premium was unjustified but for the reasons I gave above, I don't think Wakam has treated him differently to other customers in his position.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

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

Anastasia Serdari  
**Ombudsman**