

The complaint

Ms K complains that Ageas Insurance Limited unfairly increased her motor insurance premium.

Ms K's policy was sold and is administered by a third-party company on Ageas' behalf and all of her correspondence has been with this company. However, Ageas is the policy underwriter so her complaint is against it. Any reference to Ageas in my decision includes the policy administrator.

What happened

Ms K had an Ageas motor insurance policy, taken out in April 2024 via an insurance broker. In January 2025, she told her broker she'd changed her car. Ageas recalculated her premium based on her new car. This was over £400 more expensive than her old car. Ms K paid her April 2024 premium in full, so Ageas charged her £103.34 to reflect the increased premium for the remaining three months of the policy year.

Ms K thought this was unfair and complained to her broker. It told her the new premium had been calculated correctly. It said how the premium was calculated was commercially sensitive and wouldn't provide any more details.

Ms K remained unhappy so brought her complaint to this service. She says she doesn't understand "*how the excessive charge occurred.*"

Our investigator didn't uphold the complaint. He was satisfied that Ageas had calculated Ms K's new premium correctly. He didn't think Ms K had been treated unfairly. Ms K didn't accept this, so the case was passed to me to make a final 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.

Under the policy terms, Ms K must tell Ageas about any changes to her policy. When this happens, it will see if this affects her cover and if she needs to pay an additional premium. Page 2 of her new insurance schedule sets this out: "*If any loss, accident or conviction arises before the cover start date of 12 January 2025 or there is a change in the risk, or if any of the information detailed in your Schedule changes then the terms may be revised and an additional cost may be requested.*" This is standard across all insurance policies and I don't think it's unreasonable.

As our investigator explained, this service can't tell an insurer how it should price risk or what an insurance policy should cost. The risk of insuring a car is Ageas's to take on, so it's right that it – like any insurer – can decide how it assesses and prices risk. This assessment and pricing of risk depends on many different factors, including the make, model, and age of the car being insured.

Put simply, this additional charge wasn't an admin fee. In insurance terms, Ageas's view of risk of Ms K's new car is higher than her old one. Her new car was three years newer than her old one and its market value was higher, so it was classed in a higher insurance group. In other words, if Ms K had made a claim on her policy, it would have cost Ageas more to replace her new car than her old one. This meant the premium for her new car was much higher than the premium for her old car.

Ageas calculated the adjustment as follows:

- Old annual premium: £781.64
- New annual premium: £1,196.13
- Difference: £414.49
- Difference for January to April: £103.34

Ms K was nine months into her policy year, so £103.34 was the pro-rated difference in premium for the remaining three months. Allowing for rounding, this is correct.

I recognise that Ms K feels strongly about this and will be disappointed with my decision. But based on everything I've seen, I can't say Ageas has done anything wrong. I won't be asking it to do anything more.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 15 October 2025.

Simon Begley
Ombudsman