DRN-5632524

The complaint

Mr M complains National Farmers' Union Mutual Insurance Society Limited set an unreasonable premium for his motor insurance policy.

What happened

Mr M insured his car with NFU. His premium for the policy year September 2023 to September 2024 was £341. NFU offered him renewal for the policy year September 2024 to September 2025 for £457.

In October 2024 Mr M complained to NFU about the increase. He considered the premium charged, including an increase of more than 34%, for less than 1500 miles use per year to be unreasonable. He referred to his fifty years claim free record.

In response NFU said it couldn't reduce his premium. It outlined several reasons for the increase. These included Mr M's new address coming with a higher risk rating, his age and a change to his credit score.

Unsatisfied with NFU's response, Mr M referred his complaint the Financial Ombudsman Service. He didn't accept its explanation for the increase. He said he had moved within the same town, had an exemplary driving record, his age had only increased by one year and doesn't understand how his credit rating should affect his driving ability. He considers the increase applied to his premium to be unreasonable.

Our Investigator didn't find NFU had treated Mr M unfairly. He didn't recommend it do anything differently. Mr M didn't accept that proposed outcome, so the complaint 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.

This service doesn't usually make judgements about the way an insurer chooses to assess risk, the risk assessment it makes or the premium it charges to cover a certain risk. These are generally commercial decisions for insurers to make. But there are aspects of price that we will look into, depending on what's relevant in the circumstances. These include discrimination, mistakes, misleading information and restricted choice.

I've considered everything Mr M and NFU have provided. Having done so, I've no reason to believe NFU provided misleading information about the renewal premium. The premium was clearly set out in the renewal documents and could be compared against the previous year's.

I haven't seen that NFU made a mistake when setting the premium. Its underwriting team has provided an explanation for the increase - including the factors set out above. I've no reason to believe the increase was applied incorrectly. I note Mr M feels certain factors, including a credit score, shouldn't affect the cost of his motor insurance. However, I consider that a matter for an insurer to decide upon. It provided Mr M, in its complaint response, explanations for its consideration of these various factors. I won't repeat them here, but they seem reasonable to me.

I've considered if Mr M experienced discrimination. I've looked to see if he was treated differently to the way other consumers would have been in the same circumstances. I've no reason to believe other customers with similar circumstances, such as the same change in address, age or credit rating would been treated differently. I'm satisfied he was most likely treated consistently with NFU's general approach to pricing.

Neither can I say Mr M faced a restricted choice. He hasn't reported being unable to find alternative cover. It seems he likely could find other providers if he wished. He could cancel the current policy if he wishes to**.**

Mr M's made various points about the cost of insurance, other drivers' conduct and inflation rates. I'm not going to address those points individually. It's not for this service to involve itself in these wider points about price increases in general.

I realise Mr M's frustrated with the increase to his insurance premium. Whilst this service can consider certain aspects of how a customer's premium is set, it's generally for insurers to decide how much they charge for their services. I'm satisfied NFU's calculated Mr M's premium fairly and in line with its general approach to pricing. So I'm not going to require it to do anything differently.

My final decision

For the reasons given above, I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 August 2025.

Daniel Martin
Ombudsman