

The complaint

Mrs H complains AXA Insurance UK Plc (AXA) have unfairly increased the price of her home insurance policy.

Any references to AXA also include the actions of any agents authorised to act on its behalf.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events.

Mrs H held a home insurance policy provided by AXA which was due to renew on 1 January 2025. On 18 December 2024 AXA sent Ms H her renewal notice which showed her yearly premium had increased from around £460 to around £960. She raised a complaint as she was unhappy with the increase. She said she accepted her premium had increased the year before due to an open subsidence claim, but she didn't think this further increase was reasonable.

On 9 January 2025 AXA issued Mrs H with a final response to her complaint. It said it conducts regular analysis of the performance of its product to ensure it is competitive in the market. It said the renewal documents are always sent 20-25 days in advance of the renewal to allow customers time to review and make informed decisions.

Mrs H didn't think this was reasonable and so referred her complaint to this Service. She said the increase in premium hadn't been justified, and she hadn't received her renewal notice within the timeframe AXA had said she would.

Our investigator looked into things. He said he hadn't seen any errors when AXA calculated Mrs H's premium and he thought it had done so fairly. He said he thought AXA had sent Mrs H's renewal notice a reasonable amount of time before her renewal.

Mrs H didn't agree with our investigator. She said she didn't think AXA had provided a valid reason for the increase in her premium. She also said AXA's late renewal notice didn't leave her with enough time to explore other options.

As Mrs H didn't agree with our investigator the complaint has been 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.

I want to acknowledge I've summarised Mrs H's complaint in less detail than she's presented it. I've not commented on every point she has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mrs H and AXA I've read and considered everything that's been provided.

I also want to be clear about what I've considered as part of this decision. Mrs H's yearly premium is made up of the premium charged by AXA as the insurer and costs applied by the broker. As part of this decision, I can only hold AXA responsible for the premium it has charged, and not the costs applied by the broker. If Mrs H is unhappy with the costs applied by the broker this would need to be raised separately.

The information provided by AXA in relation to how its priced Mrs H's policy is commercially sensitive and so I can't share it in detail. But I want to assure Mrs H I have considered it carefully when reaching this decision.

Based on the evidence AXA have provided, the net premium, including insurance premium tax, increased from around £350 at the 2024 renewal to around £590 at the 2025 renewal. So, I've considered whether this increase has been applied fairly.

AXA have provided detailed premium information to this Service, and I can see the premium values were calculated automatically using AXA's underwriting criteria. So, I'm satisfied the premium has been calculated accurately. However, in my experience, once a property has suffered subsidence, it's usually much more difficult to insure on normal terms. Generally, consumers are likely to find insurers don't offer cover at all. Or if they do, only at a considerably higher premium and/or excess. This means Mrs H's access to the market, and her options aside from AXA, are likely to have been limited. So, I'll consider whether the increase was fair in these circumstances.

The evidence provided suggests the subsidence claim Mrs H has made has largely contributed to the increase in premium she has experienced which I don't consider to be unusual. AXA aren't required to only apply a single increase in premium following a subsidence claim. It is entitled to consider, at each renewal, the risk insuring the property represents and take that into consideration when calculating the premium. And that risk can change over time for a variety of reasons. Here, this change in risk included an ongoing claim involving potentially significant costs and I don't think that is unreasonable.

So, based on the information AXA have provided, I'm satisfied it has demonstrated the increase in premium it has applied was fair in the circumstances and Mrs H has been treated the same way as anyone else would have been in her position.

Mrs H has said she doesn't think her renewal notice was sent with sufficient time to allow her to explore other insurance options. Mrs H's renewal notice was sent two weeks prior to her renewal, which I acknowledge is less than the 20-25 days AXA referenced in its final response. Whilst this is less time than expected, I think it was enough time to allow Mrs H to consider her options.

In any event, I'm not persuaded Mrs H being sent her renewal notice any earlier would have made a difference to Mrs H. As mentioned previously, I think it would have been much more difficult for Mrs H to have found a competitive policy with another insurer. So, I'm not persuaded Mrs H would necessarily be in a different position even had her renewal notice been sent a week or two earlier than it was.

I know this will be disappointing for Mrs H, however for the reasons I've explained I think the premium increase AXA applied at the 2025 renewal was a reasonable one, so I don't require it to do anything about them.

My final decision

For the reasons I've outlined above, I don't uphold Mrs H's complaint about AXA Insurance Uk Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 8 October 2025.

Andrew Clarke
Ombudsman