

The complaint

Mr U complains about the price of his motor insurance policies with U K Insurance Limited trading as Direct Line.

What happened

Mr U held a motor insurance policy with Direct Line costing roughly £400. That policy renewed and its price increased to roughly £700. Mr U says he was able to negotiate that price down to roughly £600, but ultimately it still cost more than the first policy he took out.

The following year, the policy was due for renewal and Mr U was told it would be £900. Mr U didn't think this was fair, especially as he'd seen in the media that the price of policies was coming down.

Ultimately, Mr U didn't renew the policy with Direct Line and took one elsewhere. He's said this policy was £364.

Mr U complained to Direct Line, he wanted the reasons for his policy increasing as it had. And he thought he'd overpaid for his policy the previous year, despite negotiating the price down (to £600).

Direct Line said Mr U's policies were priced correctly. It said it hadn't done anything wrong and that Mr U was encouraged to shop around at each renewal. It said it wasn't going to give Mr U the exact reason for the increase in his policy because that was commercially sensitive information.

Mr U remained unhappy and brought his complaint to us. He said the new insurer he was insured with was underwritten by the same insurer who took over Direct Line, he thinks this is further evidence his policy was priced unfairly.

Our Investigator didn't recommend Mr U's complaint be upheld. She thought Direct Line had shown that it priced his policy the same way it would have priced anyone's policy in the same circumstances. She therefore felt Direct Line priced it fairly and that no refund was due.

Mr U remained unhappy and asked for an Ombudsman's 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.

Having done so I'm not upholding it. I'll explain why.

I understand Mr U is unhappy with Direct Line not showing him the exact reasons for the increase in his policy. But that's not something this Service can show him either.

I understand this will be frustrating.

But what factors an insurer considers, and what weight it places on those factors is its own commercial decision. That forms its underwriting criteria and each insurer, whether part of a group or not, will have its own criteria. It's not unusual for the same company to have different underwriting criteria based on different brands either.

What we have to consider is whether the pricing of the policies were assessed in line with that criteria, using the right information. And I'm satisfied they were. Like our investigator, I can't share that criteria, it's commercially sensitive.

So that means I'm satisfied Mr U's policies were priced in line with Direct Line's criteria in place at the time, and therefore I'm satisfied he's been treated the same as anyone else in his situation would have been. Therefore, I'm satisfied he's been treated fairly.

Because each insurer has its own criteria, it's important that insurers let policyholders know upon inviting them to renew the policy that they may want to look at the open market to see if there's a policy that better suits their needs. I can see Direct Line did that here.

I understand Mr U got his policy much cheaper elsewhere, but this isn't evidence his policy with Direct Line was unfairly or incorrectly priced by it. More, it's evidence of the above, that different insurers rate different factors differently when pricing policies and that it can be beneficial to policyholders to shop around.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 4 September 2025.

Joe Thornley
Ombudsman