

The complaint

Mr C has complained about the price quoted by U K Insurance Limited (UKI) to renew his motor insurance policy.

What happened

In May 2024, Mr C received a quote to renew his motor insurance policy for around £633, up from around £336 the previous year, and he thinks the increase is too high. He contacted UKI and, after hearing about his concerns, they offered a discount, setting the price at around £570. When Mr C asked about why his premiums have gone up so much, UKI told him some factors were specific to him but there are also external factors such as the increasing costs of parts and labour.

Mr C was unhappy with UKI's answer and raised a complaint. He also said it was concerning that the renewal invitation mentioned he'd made a change to his policy during the previous year which affected the premium – he says this is false.

UKI maintained their position on price, saying what he was quoted is based on the information they hold on him and is correct. But they apologised about the wording on the renewal letter – they said the wording stating that he made a change on the policy is the standard wording on renewal invitations and wasn't for him specifically.

Mr C complained to our Service, saying he wanted us to assess whether the price increase and lack of transparency was fair and justified and whether the use of incorrect wording in renewal documents constitutes a misrepresentation. He wants a full, clear explanation of how his renewal premium was calculated, a reassessment of the premium considering the risk hasn't changed, and compensation for the misleading renewal wording and inconvenience caused to him.

Our Investigator looked into what happened but didn't uphold the complaint. She said it isn't our role to tell an insurer how to price their policies or what factors they should consider when calculating the risk as it forms part of their commercial judgement. And that UKI treated Mr C fairly when pricing his policy. She also said UKI showed her there was an error in her 2023 premiums meaning they charged him less than they usually would for other consumers – and in 2024, they corrected this.

Mr C disagreed, saying the issue hasn't been fully addressed. He said it was the first time he was aware that he was undercharged the year before. And that had UKI clearly informed him of this at the appropriate time, it would have saved him a great deal of time, stress and frustration. He maintained that the wording in the renewal notice was particularly misleading and that UKI poorly communicated with him and failed to take accountability.

Since the complaint couldn't be resolved, it's come 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.

Having done so, I'm not upholding Mr C's complaint for generally the same reasons as the Investigator.

As ours is an informal service, I'm not going to respond to every point or piece of evidence Mr C and Admiral have provided. Instead, I've focused on what I consider to be key or central to the complaint. But I'd like to reassure both that I have considered everything submitted.

As the Investigator explained, when looking at complaints about insurance pricing, the role of our Service isn't to tell an insurer what they should charge or to determine a price for the insurance they offer. That's a commercial judgement and for them to decide. But we can consider whether we agree a consumer has been treated fairly – this involves thinking about whether there's anything which demonstrates someone has been treated differently or less favourably than other customers. If we think someone has been treated unfairly in this way, we can set out what an insurer needs to do to put things right.

I can see Mr C paid a premium of £336.04 in 2023 and then was quoted £633.51 in 2024. The 2024 quote is significantly higher than the previous year, so I understand why Mr C is upset by the increase.

UKI have provided our Service with confidential business sensitive information to explain how Mr C's price was calculated. I'm afraid I can't share this with him because it's commercially sensitive, but I've checked it carefully. And I'm satisfied the price he was quoted has been calculated correctly and fairly and I've seen no evidence that other UKI customers in Mr C's position will have been charged a lower premium.

I think it's also important to mention, 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 parts and materials for repairing vehicles. And the information I've seen does show inflation has had an impact on the cost of Mr C's insurance.

As the Investigator mentioned, within the data UKI sent, they've shown that Mr C was charged less than other customers would have been in the same situation in 2023. And that a significant portion of the increase in his premiums was bringing them in line with what other customers would have been charged. I appreciate that will have come as a shock to Mr C, and he's not happy it wasn't brought to his attention earlier – he's said he wouldn't have put the time into the complaint had he been clearly told about the reduction in 2023. But not only did Mr C benefit from the reduction, these are commercial decisions and ones UKI are entitled to make. And they didn't need to inform him when and why they applied the reduction for 2023. So, I won't be asking them to pay any compensation for any loss of expectation caused.

UKI acknowledged that they made a mistake in their renewal wording, saying Mr C made a change that affected his premium when he didn't. This will have caused some confusion for Mr C. I was happy to see UKI apologised for the error and am satisfied that's enough to put things right in the circumstances.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or

reject my decision before 27 December 2025.

Andrew Wakatsuki-Robinson
Ombudsman