

The complaint

Mr E has complained that Tesco Underwriting Limited didn't make him aware that his car insurance premium at renewal would be higher.

What happened

Mr E bought a car insurance policy in February 2023 with the insurer, Tesco which was set up to automatically renew. Mr E's policy renewed with Tesco in February 2024 and February 2025.

After renewal in February 2025 Mr E contacted Tesco to cancel his policy. He complained that Tesco hadn't notified him of the increase in premium before the renewal date.

Tesco cancelled Mr E's policy. It didn't uphold his complaint. Tesco said it had emailed Mr E in January 2025 on two occasions to inform him that his policy was due for renewal and to access his online account to view the details.

As Tesco didn't hear from Mr E, it said it correctly renewed his policy. Tesco said the increase in premium was due to changes in its underwriting risk, which it said is based on a number of factors. It said it gave Mr E the opportunity to shop around before the renewal date for a competitive price.

Mr E remained unhappy and asked us to look at his complaint. One of our Investigators didn't recommend the complaint should be upheld. He thought Tesco hadn't done anything wrong.

Mr E doesn't agree and wants an ombudsman 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 am sorry to read of the impact this complaint has had on Mr E. I understand it is difficult when a customer feels something has gone wrong, and having to deal with the matter can cause distress.

My role is to look at what both parties have provided and give an impartial decision on whether the insurer has acted unreasonably.

As the Investigator explained, The Insurance Conduct of Business Sourcebook (ICOBS) is a set of rules and guidelines which regulate the sale and administration of insurance products with a view to ensuring customers are treated fairly. ICOBS 6.1.5 states:

"A firm must ensure that a customer is given appropriate information about a policy in good time and in a comprehensible form so that the customer can make an informed decision about the arrangements proposed"

Mr E provided a copy of the emails Tesco sent to him before renewal. So I'm satisfied he received them. The emails dated 12 January 2025 and 22 January 2025 explain that Mr E's policy is due for renewal and for Mr E to log into his account (with the link to do so) to view the details of the renewal.

The information attached to the email dated 12 January 2025 linked to a letter from Tesco setting out the renewal date, provided details of the premium Mr E paid and the renewal premium for the following year. Tesco said Mr E could shop around – and it said he could update his account if no longer wanted to opt in for automatic renewal.

On 22 January 2025 Tesco issued a reminder email to Mr E to log into his account to view his renewal documents. On 8 February 2025 Tesco emailed Mr E to confirm it had renewed his policy.

So I find Tesco gave Mr E sufficient notice of the renewal premium for Mr E to make an informed decision.

What an insurer charges for cover varies widely and depends on their appetite for risk. An insurer's underwriting assessment can change regularly. This is a commercial decision an insurer can make. Insurers don't share their underwriting information with customers as it is business sensitive information. But this service can ask an insurer to share it with us, so that we can see if it has treated a customer fairly and as it would any other customer in the same circumstances.

Having reviewed what Tesco has provided, I'm satisfied it has treated Mr E fairly when applying its underwriting criteria.

I'm sorry to disappoint Mr E. But I don't think Tesco has done anything wrong. I find it correctly renewed his policy. So this means I'm not upholding the complaint.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 19 September 2025.

Geraldine Newbold
Ombudsman