

The complaint

Mr P complains at the price rise in his motor insurance policy with Ageas Insurance limited.

What happened

Mr P opted to take out a motor insurance policy with Ageas and accepted a quotation. After receiving the documentation, Mr P accepted the quote with the policy due to start the following month.

Before the policy started, Mr P told Ageas he'd seen something incorrect in the documentation. He had an SP30 conviction which wasn't noted on the policy.

Ageas amended the details and said that the addition of the SP30 meant Mr P's policy would be more expensive, £248.04 more. Mr P paid this but a few days later, still before the policy started, he cancelled the policy and received a full refund of everything he'd paid.

Mr P complained to Ageas, he thought the additional premium he was asked to pay was disproportionate to the additional risk presented to Ageas.

Ageas didn't think it had done anything wrong so Mr P brought his complaint here.

Our Investigator didn't uphold Mr P's complaint. He said Ageas was entitled to decide what factors to consider when pricing a policy, and he said it was entitled to decide what weight to put on those factors. He thought ultimately Mr P got all his money back so didn't think Ageas needed to do anything more.

Mr P disagreed and asked for an Ombudsman's decision.

I issued a provisional decision explaining I thought Mr P's complaint should be upheld. It said:

"Here, Mr P didn't let Ageas know of his SP30 conviction when the policy was taken out. But he spotted that error and let it know before the policy started.

Ageas said this generated an additional premium – of £248.04. Like our Investigator, I agree that Ageas is entitled to choose what factors it considers, and it's entitled to decide what weighting to put on those factors. That may or may not coincide with how Mr P, or any other consumer, might perceive that risk themselves.

Importantly here though, Ageas has said because the quote was accepted, when Mr P called to let it know of the SP30, all its system was allowed to do was a mid-term adjustment. When it checked that mid term adjustment it was satisfied the additional premium it generated was correct and in line with its underwriting criteria and pricing model.

But, when it checked what would have happened had Mr P declared the SP30 initially, and no mid-term adjustment was needed, it said this generated a significantly lower additional premium of £73.57. it said this indicated the additional premium generated by the mid-term adjustment was incorrect.

Mr P has said if the additional premium was £73.57, and not the £248.04 he was quoted and ultimately paid, then he'd have likely accepted it.

Mr P shouldn't have been treated differently because of the limitations of Ageas' system requiring the mid-term adjustment to be made. And he shouldn't have been put in a worse position by that additional premium being calculated differently.

I've taken on board that ultimately Mr P took his business elsewhere, such is his prerogative. He's not therefore been caused a financial loss by paying more than he should be for this policy because he received a full refund.

But it has caused him unnecessary inconvenience in terms of cancelling the policy and having to find a new one at much shorter notice than he intended to. So, for that Ageas should pay him £100 compensation."

Both Mr P and Ageas accepted my provisional 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.

Because both sides agreed with my provisional decision, I see no reason to change it. Therefore, my final decision is the same as the provisional one set out above in both reasoning and outcome.

My final decision

For the reasons set out above, my final decision is that I uphold Mr P's complaint and require Ageas Insurance Limited to pay Mr P £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 22 August 2025.

Joe Thornley
Ombudsman