

## **The complaint**

Mr and Mrs W are unhappy about the price Advantage Insurance Company Limited ('Advantage') have quoted for the renewal of their home (buildings and contents) insurance policy.

## **What happened**

The background to this complaint is well known to Mr and Mrs W and Advantage. In my decision I won't repeat in detail what's already known to both parties, instead I'll focus primarily on giving the reasons for reaching the outcome that I have.

Mr and Mrs W had home insurance with Advantage for several years. On 4 October 2024 they received their renewal invitation for the next policy year. They were unhappy with the price quoted and raised a complaint with Advantage.

Advantage responded to the complaint, but didn't uphold it. They said the price had been generated correctly. Mr and Mrs W remained unhappy and referred their complaint to our Service for an independent review. Our Investigator considered the complaint but didn't recommend that it be upheld. As the dispute remains unresolved, it's been referred to me for a final 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

### *The scope of my decision*

Mr and Mrs W have raised several points about transparency within the insurance sector, how insurers view risk and how insurers share information relied on with customers about how they consider risk. Those issues are beyond the scope of this decision.

Our Service are not the insurance industry regulator. That is the role of the Financial Conduct Authority. I will be considering if Advantage have treated Mr and Mrs W fairly and similar to how any other customer in a similar position would've been treated at renewal. I can't tell an insurer what risks they should underwrite, how they evaluate those risks, for whom they should offer insurance or how much they can charge a particular customer.

Instead, our Service broadly look at whether we think an insurer have acted fairly and reasonably in the way they've set the customer's premium, and whether they've communicated the price to them in a way that is clear, fair and not misleading. More details on the approach I'll be following can be found here: <https://www.financial->

[ombudsman.org.uk/consumers/complaints-can-help/insurance/insurance-pricing-and-renewals](https://ombudsman.org.uk/consumers/complaints-can-help/insurance/insurance-pricing-and-renewals)

### *My key findings*

The 2024/25 renewal price offered was £531.64 (later lowered to £518.91). Mr and Mrs W had paid £209.59 the previous policy year. I can understand why Mr and Mrs W were surprised when they received this invite and questioned the increase – particularly as they felt there'd been no changes to the risk they presented or claims that might affect how an insurer viewed the risk at renewal.

An insurer will calculate a price for a policy based on the risk presented. This risk as viewed by an insurer can change year on year, so it's not unusual or uncommon at all for prices to increase – even though a customer may think their personal circumstances as well as the details relating to their property have remained the same. It's also been well publicised that home insurance premiums have risen in recent years.

<https://www.bbc.co.uk/news/articles/c4glpz587q5o> and <https://www.abi.org.uk/news/news-articles/2024/112/year-to-date-property-claims-payouts-hit-4.1-billion/> I acknowledge the ABI article was published after the renewal invite was sent to Mr and Mrs W, but they highlight some of the weather issues affecting premiums across the insurance sector.

Advantage have explained some of the price rise can be attributed to general rises across the cost of home insurance – and that's fair. But Advantage have also provided our Service with a detailed answer and evidence to explain the price rise specific to Mr and Mrs W. Unfortunately, as this information is commercially sensitive, we are unable to share it with Mr and Mrs W. But I can assure Mr and Mrs W I have carefully considered the evidence. In summary, the main reason for the price increase at renewal was related to how Advantage considered a particular part of the risk they were underwriting. I'm satisfied that Advantage have treated Mr and Mrs W fairly.

I have also kept in mind that Mr and Mrs W did 'shop around' but were unable to find a policy for much cheaper than the price offered by Advantage. This supports that Advantage have acted fairly.

### *Summary*

I'm satisfied that Advantage have been able to demonstrate to our Service that they've treated Mr and Mrs W fairly and consistently when calculating their renewal price.

My decision will disappoint Mr and Mrs W, but it ends our Services' involvement in trying to informally resolve their dispute with Advantage.

### **My final decision**

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 and Mrs W to accept or reject my decision before 26 August 2025.

Daniel O'Shea  
**Ombudsman**