

## **The complaint**

Mr K complains about the amount Aviva Insurance Limited charged for his motor insurance policy.

## **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 investigator thought Aviva had mostly acted fairly, but should pay £100 compensation. Aviva accepted this. I agree, and for the same reasons, so I don't think it's necessary for me to go over everything again in detail. Instead, I'll summarise the main points:

- Mr K took out a motor policy with Aviva in July 2024 to insure Vehicle A. It cost around £1,900 for an annual policy.
- In January 2025, Mr K got in touch with Aviva to remove Vehicle A from the policy and add Vehicle B. Aviva said it would cost around an additional £1,800 to cover Vehicle B for the remainder of the annual policy. Mr K paid this amount and complained about it. He also wanted to understand how it had been calculated.
- Aviva said the additional premium was correct and it wouldn't explain how it had been calculated, as such information was commercially sensitive. I'm satisfied this was a fair and reasonable response by Aviva. I'll explain why.
- Each insurer is entitled to take its own view of risk and, based on that, whether to offer insurance cover to a particular policyholder – and, if so, at what price.
- When significant information changes during the policy, an insurer is entitled to reconsider the risk and associated premium. I'm satisfied a change a vehicle is significant in relation to a motor insurance policy. When Mr K changed the vehicle to be insured from A to B, Aviva considered that meant it was riskier to provide insurance. Whilst Mr K may not agree with that, Aviva was entitled to take that view.
- Mr K was entitled to accept, reject, or negotiate the additional premium offered by Aviva. If he thought Aviva's premium was unfairly high, he didn't have to accept and pay it. He was free to consider alternative options.
- Nonetheless, I would expect Aviva to be able to show its premium increase was fair. In these circumstances, that means it was in line with its general view of risk and meant Mr K was treated consistently with how any other policyholder in similar circumstances would have been.
- Aviva has shared underwriting and pricing information with this Service. It's commercially sensitive, so it wouldn't be appropriate for me to discuss it in detail. But I can reassure Mr K the information is comprehensive and, having thoroughly considered it, I'm satisfied it shows the premium increase was fair.

- Whilst Mr K may wish to understand the reason behind the increase, that's not something I'd expect Aviva to share in detail, given the commercially sensitive nature of it. But the change of premium was prompted by the change of vehicle. So I think the broad reason for the premium increase is clear.
- Mr K has questioned whether the additional premium was charged in line with relevant regulations, guidance and principles. In particular, the Consumer Duty. Based on his comments, I think he's referring to the part which says a firm must act to deliver good outcomes for retail customers. And the part which says a firm should assess their products and services to ensure there is a reasonable relationship between the price and the overall value and benefit.
- These parts of the Consumer Duty don't amount to price-setting rules. Insurers have the flexibility to set prices for their policies, and at different levels for different customer cohorts. In short, insurers can underwrite and set premiums based on relevant factors, so long as they do so consistently and fairly amongst customers in similar circumstances. I explained above why I'm satisfied Aviva did that here.
- I can understand Mr K's concern about the extent of the additional premium. It meant paying roughly the same again – and for only the remaining half of the policy. Effectively, that meant the new premium was around three times as much as the old one. That's clearly a significant increase.
- However, a significant change drove the increase – Mr K was insuring a different car. As the two premiums are based on insuring substantially different vehicles, I don't think the two premiums can reasonably be compared and treated as like-for-like.
- Whilst I note Mr K has asked this Service for a 'substantive analysis' of Aviva's pricing, I don't consider that necessary to decide whether Mr K has been treated fairly in the circumstances.
- Taking everything into account, I haven't seen anything that suggests Aviva acted unfairly in relation to the price and value outcome under the Consumer Duty – or other relevant regulations, guidance and principles. So I don't think Aviva has failed to meet the Consumer Duty requirements here.
- Aviva has accepted Mr K made a subject access request (SAR) at the time of his complaint – but this wasn't processed. As a result, it's agreed to process the SAR and to pay £100 compensation for the delay. I'm satisfied that's fair and reasonable in the circumstances.
- Mr K has said this matter should be raised with the Information Commissioner's Office (ICO). He's entitled to do so if he wishes.

### **My final decision**

I uphold this complaint.

I require Aviva Insurance Limited to pay £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 5 November 2025.

James Neville  
**Ombudsman**