

The complaint

Mr and Mrs D are unhappy with the cost of an insurance policy renewal which was brokered by Nationwide Building Society (“Nationwide”).

What happened

Mr and Mrs D paid a monthly fee to Nationwide for several services, in addition to the provision of a banking service.

One of these services, was acting as a broker in the provision of a home insurance policy.

Mr and Mrs D were unhappy when their policy was due for renewal. Nationwide informed them that their insurer had doubled the cost of their policy. When Mr and Mrs D challenged the increase, Nationwide shared with Mr and Mrs D the insurer’s reasoning for the increase. Nationwide explained it had passed on Mr and Mrs D’s concerns on to their insurer.

Mr and Mrs D feel Nationwide is colluding with their insurer, they are unhappy with the increase and unhappy with the explanation they’ve received for the increase.

Our investigator decided not to uphold the complaint. She didn’t think Nationwide were responsible for the cost increase in the insurance policy at renewal, but she thought it had reasonably shared the information provided by the insurer to explain the increase. Mr and Mrs D disagreed, so the case has been referred to an ombudsman.

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 don’t uphold this complaint. I know this will be disappointing for Mr and Mrs D, so I’ll outline my reasoning for doing so.

Nationwide as broker isn’t responsible for setting the price on the insurance policy, this is done by the insurer. Therefore, should Mr and Mrs D have a complaint on the premium that was offered, it would need to raise this with the insurer.

Mr and Mrs D should be aware the price an insurer charges is a commercial decision it is entitled to make based upon the risk of providing the policy. An insurer won’t share this information with consumers as it is commercially sensitive, however, insurers should be able to provide a high-level reasoning for the movement.

When our service looks at complaints against insurers for pricing, we look at whether the insurer has treated that customer in the same way it would’ve treated any other customer with the same circumstances. If it has, then we’d say they’ve acted fairly. It’s not our remit to judge whether an insurer’s pricing policy is competitive, the marketplace does this. This is apparent in Mr and Mrs D’s case, where they decided to shop around and found a cheaper policy that met their needs.

Coming back to Nationwide's responsibility here. Nationwide provide the policy on a non-advised basis. In other words, the service it was providing wasn't a full search of the marketplace to find the most appropriate policy for Mr and Mrs D at the best price. Nationwide administered the policy – it liaised with the insurer and provided the offer to Mr and Mrs D at the price the insurer set, it shared the policy documentation and took payment. Mr and Mrs D had the choice whether or not to accept the terms. When Mr and Mrs D asked why their premiums had increased, Nationwide provide the question to the insurer and fed back their answer to Mr and Mrs D. This is what I would expect.

When Mr and Mrs D complained, Nationwide passed on this feedback to the insurer. I can see our investigator shared the policy terms with Mr and Mrs D, which stated:

“The benefits and services applicable to your account may be provided to you by external product providers and insurers. In such cases your agreement for those services will be with the relevant provider or insurer and we will not be liable for any matter arising out of the performance or non-performance of the benefit or service, or for any involvement or representation made by the provider of insurer.”

This essentially sets out what I've said and this arrangement isn't unusual in the insurance industry. If Mr and Mrs D don't feel they are getting value for the monthly fee they are paying, that's a separate decision they are free to make, as is the decision to scour the insurance market using a comparison site or something similar.

I know this isn't what Mr and Mrs D wanted to hear, but I don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint. I don't require Nationwide Building Society to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mr D to accept or reject my decision before 16 March 2026.

Pete Averill
Ombudsman