

The complaint

Mr C complains about an increase in the premium for his motor insurance policy with Covea Insurance plc (Covea), following a change of vehicle.

References to Covea in this decision include their agents.

This decision covers Mr C's complaint about Covea as the insurer (underwriter) of the policy. It doesn't cover the actions of the administrator of the policy (S), a separate business.

What happened

Mr C had a motor insurance policy with Covea, taken out in February 2025, to insure the vehicle he had at the time. The premium was £694.08 for the year (inclusive of £29.99 for breakdown assistance). In April 2025, Mr C sold his vehicle and purchased a replacement, which was a different make and model. When he contacted Covea, he was quoted an additional premium of £646 for a further 12 months cover, or £421 additional premium for cover to the end of the original policy term. Mr C considered the additional premiums quoted to be extortionate and unreasonable, given his policy was only a couple of months old. So, considering the change of vehicle to be minor, he refused to pay.

On purchasing his new vehicle, Mr C was given a quote for insurance cover of £759 for 12 months and accessed a price comparison website, which provided quotes beginning at £700 per year. Mr C reluctantly paid an additional £468.13 to secure ongoing cover under his policy with Covea, meaning his revised premium for the period until the renewal of his policy was £1,162.21 (again inclusive of £29.99 for breakdown assistance).

Unhappy at the additional premium he had been charged by Covea, Mr C complained.

Covea didn't uphold the complaint. In their final response, issued in April 2025, they said premium pricing was based on risk, with many factors involved, including the model of vehicle. When any of the risk factors changed, the premium would also change. This was the case with Mr C, so Covea stood by the quoted premium. As the change in premium had not been confirmed, it was open to Mr C to accept the premium quoted or to cancel his policy. If he chose the latter, the cancellation fee that would otherwise apply would be waived.

Mr C then complained to this Service, unhappy at Covea's final response and the additional premium he'd been charged under his policy for covering his replacement vehicle.

Our investigator didn't uphold the complaint, concluding Covea didn't need to take any action. Covea had supplied their underwriting criteria to set out how the premium was recalculated for the mid-term adjustment of Mr C's change of vehicle. This showed the recalculated premium was directly impacted by the new vehicle as it attracted a different risk rating for Covea. Insurers used different methods to assess risk in the circumstances of a change of vehicle. The policy wording also provided for changes that needed advising, including a change of vehicle, and that such a change would lead Covea to reassess cover and premium. And it was Covea's decision to decide what additional premium to charge for a

change of vehicle. Looking at the information provided by Coves, the additional premium didn't appear unsound or contrary to their underwriting criteria.

Mr C disagreed with the investigator's view and asked that an ombudsman consider the complaint. He didn't think the investigator had explained the detail of the large increase in premium. He maintained the change in vehicle represented a minor change in risk. Obtaining quotes for cover of his replacement vehicle from a price comparison website returned figures in the range £400 to £500. A comparable quote from S was £762.20.

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.

My role here is to decide whether Covea have acted fairly towards Mr C.

The main issue in Mr C's complaint is the increase in premium under his policy when he changed his vehicle. He believes the increase is excessive and cannot be justified from what he believes is a minimal change in risk between his old vehicle and the replacement. Covea maintain they applied their standard underwriting criteria when calculating the additional premium, so the revised premium was calculated fairly.

In considering the complaint, it's important to note the role of our Service isn't to determine what the level of premium for a policy should be, either when the policy is taken out or where there's mid-term adjustment is made, such as a change in the vehicle under cover. That's a commercial decision for the insurer, who will have their own risk and pricing models to calculate the impact of the change and the revised risk presented. The policy terms make it clear changes must be communicated to Covea, who will assess any consequent changes to cover and premium. This is a standard term in most, if not all policies and there's nothing inherently unfair or unreasonable in this arrangement.

Turning to the specifics of Mr C's case, I've looked at the detailed underwriting criteria and risk/pricing data provided by Covea to enable us to assess Mr C's complaint. The information is commercially sensitive, so I can't share it with Mr C. But I have reviewed it carefully and can see the changes in individual risk/pricing factors which Covea used to generate the additional premium due. I'm satisfied they reflect Covea's underwriting criteria and have been applied consistently to the change in Mr C's vehicle. As you expect they include factors such as the age, value and length of time the vehicle has been owned.

So, I've concluded Covea acted fairly and reasonably in line with their risk and pricing model in calculating the additional premium. Mr C hasn't been treated any differently than would another consumer in the same circumstances.

But I've also considered the specific points raised by Mr C, including those made in response to our investigator's view.

On the point about the detail underpinning the increase, as I've said the pricing/risk data provided by Coves is commercially sensitive so I can't share it with Mr C. I appreciate this is frustrating to Mr C, but I have reviewed it detail and concluded it supports the additional premium being calculated in accordance with Covea's pricing/risk model.

Mr C maintains the change in his vehicle only meant it was a minor change in risk. That may be his opinion, but it is the insurer who assesses risk and prices it under the policy. It isn't the opinion of the policyholder, however strongly they believe it. Out another way, it isn't for Mr C to determine what the change in risk may be (and its impact on the premium). That's

the role of Covea as the insurer. They calculate the impact on premium and then it's for Mr C to decide whether or not it's acceptable. He's not obliged to accept the change in premium and I note Covea offered to waive the cancellation fee that would otherwise apply and for Mr C to seek alternative cover elsewhere if he found a better deal on offer.

This leads on to what Mr C has said about using a price comparison website to obtain quotes that were, on the face of it, more competitive than the premium offered by Covea. That being the case, Mr C had the choice of cancelling his policy and taking out cover elsewhere if he thought there was a policy that met his needs, at lower cost. And as I've noted, should ha have decided to do so, he wouldn't have been charged a cancellation fee. That he decided to maintain cover with Covea was his decision, for which I can't hold Covea responsible.

Taking all these points together, I've concluded Covea haven't acted unfairly or unreasonably, so I won't be asking them to take any further action.

My final decision

For the reasons set out above, it's my final decision not to uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 December 2025.

Paul King
Ombudsman