

The complaint

Mr J complains about the price quoted by AXA Insurance UK Plc (“AXA”) to renew his home insurance policy.

What happened

Mr J received a quote to renew his policy which he says was significantly higher than what he’d paid the previous year. Mr J declined the renewal offer and complained to AXA about the price and not providing him with more detailed information to explain the price.

AXA responded and explained that the price had been calculated correctly based on the risk involved. They said premiums will vary between insurers – and this is based on their own underwriting criteria. They explained the information around how they price their policies was commercially sensitive and couldn’t be shared with Mr J.

Our investigator looked into things for Mr J. He thought AXA hadn’t treated Mr J unfairly in relation to the pricing. Mr J disagreed so the matter has come to me for a 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.

Having done so, I’ve decided not to uphold the complaint. I understand Mr J will be disappointed by this but I’ll explain why I have made this decision.

The role of this service when looking at complaints about insurance pricing isn’t to tell a business what they should charge or to determine a price for the insurance they offer. This is a commercial judgement and for them to decide. But we can look to see whether we agree a consumer has been treated fairly – so is there anything which demonstrates they’ve been treated differently or less favourably. If we think someone has been treated unfairly, we can set out what we think is right to address this unfairness.

I can see Mr J paid £252.52 for his policy in 2023, but he was then quoted £742.73 in 2024. This represents a 194% increase from the price paid by Mr J in 2023, so I understand why Mr J is concerned about the price increase. AXA have provided me with confidential business sensitive information to explain how Mr J’s price was calculated. I’m afraid I can’t share this with Mr J because it’s commercially sensitive, but I’ve checked it carefully. And I’m satisfied the price Mr J was quoted has been calculated correctly and fairly and I’ve seen no evidence that other AXA customers in Mr J’s position will have been charged a lower premium.

As mentioned above, I can’t provide specific detail about AXA’s risk model, but I’ve seen the specific rating factors used by AXA to calculate the quote, and they relate to the presentation of risk. I can’t say there are any rating factors applied here which are unusual or uncommon for insurers to use when assessing risk for a home insurance policy. One factor relates to

how AXA rated the flood risk to Mr J's property. The information shows how this factor was rated and the reasons why it impacted the price.

Another factor which has contributed to the price relates to a general price increase. It's been widely publicised over the last few years that the price of home insurance has increased due to claims inflation and insurers facing rising costs in settling claims – and this includes the cost of labour and building parts and materials. This again isn't unusual or uncommon, so I can't say AXA have acted unfairly here. This forms part of AXA's pricing model so it applies to all policies. I think that's important here as it demonstrates the pricing model used to calculate Mr J's premium was no different to what was used for any other customer in the same circumstances.

I do acknowledge Mr J's concern about the renewal quote when compared to the price he'd paid the year before. But the information shows Mr J's policy was underwritten by a different insurer in 2023. It's for a business to decide what risks they're prepared to cover and how much weight to attach to those risks - different insurers will apply different factors. That's not to say an insurer offering a higher premium has made an error compared to an insurer offering a cheaper premium – but rather, it reflects the different approach they've decided to take to risk. This similarly applies to rating factors and loadings. It's for an insurer to decide what rating factors and loadings to apply to a policy.

In addition to this, I've seen the renewal invite sent to Mr J in 2024 and I can see AXA did remind Mr J that he could shop around to see if he could get a better price. Section 6.5 of the Insurance Conduct of Business Sourcebook ("ICOBS") requires a business to provide specific wording about the benefits of shopping around, in circumstances where there have been at least four renewals. So, as well as treating Mr J fairly, I think AXA also acted in line with requirements set out under ICOBS.

I do appreciate Mr J wanted AXA to provide more detail around what specific factors led to the renewal quote, and he has asked for a list of the factors which affected the price. Pricing is an area where the information which sits behind an insurer's explanation will often be commercially sensitive. So, I don't think AXA have acted unreasonably in not providing Mr J with details of the specific ratings and loadings used to calculate the price.

I can see Mr J has raised a point about what he says is incorrect information provided by AXA's Data Protection Team when he made a request for information and they responded to say they didn't hold any data. I think it might help if I explain how, generally, renewal quotes are generated. Where there is a broker involved – as in this case – a broker often has access to the pricing model for a range of insurers. At renewal, the broker will enter a customer's details into their system, and this will produce results showing whether the risk is acceptable to those insurers on the panel and, if so, at what price. This process is automated, and it's not always the case that the insurer will see these details unless the quote is accepted. So, there might be circumstances where an insurer may not have data on a customer unless and until a quote is accepted and paid for by a customer.

I understand why Mr J has complained, and I hope he feels reassured that I've checked the pricing information from AXA. But I can't say they've made a mistake or treated Mr J unfairly. I wish to reassure Mr J I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 10 April 2026.

Paviter Dhaddy
Ombudsman