

The complaint

Mrs T complains that the price Liverpool Victoria Insurance Company Limited (“LV”) charged her for cover quadrupled when she renewed her car insurance policy.

Mrs T is represented in her complaint, but for ease I’ll refer to her throughout as though the representative’s actions were hers.

What happened

Mrs T had a motor insurance policy with LV covering her car. The policy was arranged using a broker, and started each year in February.

For 2023, her policy renewed at £258.93. Then in July another driver was added for the remaining seven months.

In 2024 it increased to £689.90.

I’ll also mention that in July 2025 it was £533.38, but this was after LV had issued its Final Response to Mrs T.

She complained to LV about how much her premium had changed. It said its pricing model changed before her 2024 renewal and its new approach meant that Mrs T, like many other customers, had seen their premiums rise due to market pressures.

As she remained unhappy, she brought her complaint to this service. She said her premiums had quadrupled. She asks for a refund of her overpaid premiums.

Our investigator looked into it and thought it wouldn’t be upheld. She said LV had provided this service with evidence about how it had calculated her premium, and it showed the revised rates were correct. But she thought LV could have done better to explain the change to Mr T.

Mrs T didn’t agree with the view and asked that her complaint was reviewed by an ombudsman, so it’s been passed to me to make 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’m not upholding this complaint. I’ll explain why.

In her approach to this service, Mrs T told us that her premium had quadrupled in price. This increase didn’t seem to be supported by the information LV sent us, so we asked LV to clarify its data, and then asked Mrs T for more information about what she’d paid to her broker.

From the information I have, I can see that her initial payments in 2023-24 were £31.98.

Then she changed the driver details on her policy which increased the monthly cost to £33.22 for the remaining seven months. I've approximated the annualised premium to be about £315 for this policy year.

The broker has said Mrs T also bought a legal expenses product for £30, and a fee of £10 was added. She paid monthly for the policy, and the charge for that is included in the £31.98/£33.22 above.

Then, in 2024, LV increased the premium it charged to £689.90. Again, Mrs T bought the legal expenses add-on at £35, and a fee of £10 was added. Again, she paid monthly, making her total payments about £78.63.

I've said above that I'm not able to consider matters around the 2025 renewal of her policy, as this was after she'd received her final response from LV, but the renewal details were included in her approach to this service and I have reviewed them as part of my decision making process.

From the data on file, the premium charged by LV seems to have increased by around 220%. The monthly amount she paid increased by around 240%.

I've also looked at the information provided by LV which goes into detail about the premium it charged.

LV said in 2024 it updated its pricing model to include changes to the way it dealt with inflationary uplifts and claims data. It confirmed these pricing changes were across its portfolio – so it wasn't only Mrs T who was affected.

It supplied details of how it had carried out the premium calculation for Mrs T. I've reviewed this information and I think it's been fairly applied, but I'm not able to share this information as it's commercially sensitive. I can see from the file that Mrs T's representative feels very strongly that it should be, but this isn't data we can provide to him or Mrs T. I'd also point out that this service is an independent dispute resolution service and it's my role to examine whether I think LV acted fairly and reasonably in how it applied the rates to Mrs T's details. And in this case, I think it has.

What I feel I also need to point out is, even though Mrs T's premium increased by 220-240% from 2023-24, her broker still placed her policy with LV as it was the best option for her (which often means it's the most cost-effective solution). So, I think I can say that, because her broker likely couldn't place her policy with a cheaper insurer, it's logical to think that Mrs T possibly had been paying less than the market rate for cover in previous years. And that LV's re-rating of her premium brought her into line with the marketplace the broker had access to.

While I'm sure that the increase in premium came as something of a shock to her, I can't say LV acted unfairly here. I'll also comment that the increase wasn't in the region of quadrupling as originally suggested to this service, and I hope Mrs T understands why I felt further investigation was needed from her to clarify what she was actually paying.

I'll also comment that Mrs T seems to have moved her car insurance to another company at a lower price from renewal in 2025 and I hope she is content with the much lower price she's now paying.

Finally, I need to say that this service isn't the regulator. We have no powers to say what type of business an insurer needs to accept, or at what price it should transact its business.

What we're able to do is look at the way it handled Mrs T's renewals and check it acted fairly. Having read the file, I can see LV told her that it reviewed its rates, and had introduced its new pricing tariff in late 2023. While I think its letter was factual, I don't think it was particularly sensitive to her needs or situation. But I'm not going to ask LV to do anything further and I'm not upholding this complaint.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 6 February 2026.

Richard Sowden
Ombudsman