

The complaint

Mr C complains about the price U K Insurance Limited (UKI) quoted him to renew his motor insurance policy.

What happened

The circumstances of this case are well known to both parties, but in summary, Mr C has a motor insurance policy, underwritten by UKI, which was due to be renewed in June 2025. Upon receipt of the renewal invitation, Mr C found his premium had increased from £428.61, for the previous policy year, to £689.26. Mr C obtained new quotes through a comparison website and found policies offered by UKI to be less than what he had been quoted to renew, and policies that included cheaper breakdown cover. Unhappy with this, Mr C complained to UKI and said it wasn't fair he was being treated differently to new customers and asked for it to explain the reasons why.

UKI didn't uphold the complaint. It said that it was satisfied that it had calculated the cost of Mr C's policy renewal fairly taking into account its pricing at that time. It also explained that discounts were system generated and were subject to eligibility and availability at the time it is contacted.

Mr C referred his complaint to this Service. Our Investigator didn't uphold the complaint as they were satisfied that UKI had the right to assess risk, and price its policies how it chooses. They also concluded Mr C had been treated the same as any other customer in similar circumstances.

Mr C disagreed and said, in summary, that if discounts were system generated and based on when UKI was contacted then it wasn't applying the same rules to all customers; and UKI hadn't shown why the costs of its breakdown cover was so much higher than that on the comparison website.

So, the case has been passed to me to decide.

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.

I recognise my summary of Mr C's complaint is less detailed than that presented. But I would like to assure both parties that I have carefully reviewed all the submissions made. My decision may not comment on each complaint point raised or each piece of evidence provided, but will instead comment on the issues I consider to be key to the case. This isn't intended as a discourtesy but reflects the informal nature of this Service – and the rules this Service are expected to adhere to enable me to do this.

While I recognise Mr C will find my decision disappointing, I do not uphold this complaint. I'll explain why.

As our Investigator has explained, it isn't the role of this Service to tell an insurer what it should charge, or how it should assess risk. These are decisions that fall within each insurer's own commercial judgment. But what I can look at is whether Mr C has been treated fairly. To do this, I need to be satisfied UKI has treated Mr C the same as any other customer in similar circumstances, and not less favorably.

I acknowledge that Mr C would like UKI to explain how it has reached the premium it quoted, as he is of the view that the risk of cover for him hasn't changed. And I can understand why he would want to understand this given the increase in his premium from £428.61 to £689.26. But pricing is in most cases commercially sensitive and is based on several factors which can often change. And so, it is under no obligation to provide him with an explanation on how his premium has been calculated.

In any case, UKI has provided this Service with confidential underwriting information to explain how Mr C's policy was priced. As explained above, this information is commercially sensitive, and so I can't share this with Mr C. But, I hope to offer some assurance that this information has been considered independently of either party. Having reviewed this, I'm satisfied the price Mr C was quoted was calculated correctly and fairly. And I haven't seen anything to suggest that UKI would've charged its other customers in similar circumstances less.

I recognise that Mr C was able to obtain quotes online with other insurers as well as UKI for less than his renewal quote. However, I haven't seen these quotes, so it is possible they are based on slightly different details – which can impact the overall price an insurer charges. And as explained above, each insurer is entitled to decide how it prices its policies. So, while Mr C may have been able to obtain cover with another provider for less, this doesn't necessarily suggest UKI acted unfairly or incorrectly.

Mr C has said that if UKI is applying system generated discounts to its policies based on when it is approached, then it can't be treating its customers the same. But it is important to note that discounts are not a contractual right under the policy. And UKI can decide when discounts apply and under what circumstances. Again, this is something that falls within its commercial judgement. But the underlying pricing and risk rating of a policy should be applied consistently to all its customers – which I'm satisfied UKI has done here.

I also understand that Mr C was able to get breakdown cover for less through the comparison website than what was quoted by UKI in his renewal. But I haven't seen what was included in the cover he selected. It is possible that the cover was less comprehensive, and this was reflected in the price. In any case, Mr C was under no obligation to add the breakdown cover to his policy or renewal, and if he found comparable cover elsewhere at a more favorable price, then he would have the right to purchase this cover instead. But I am satisfied UKI has treated Mr C fairly and as it would any other customer in similar circumstances. So, it follows that I'm not going to direct UKI to do anything more here.

My final decision

So, for the reasons I have set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 9 January 2026.

Oliver Collins
Ombudsman