

## **The complaint**

Mr and Mrs C complain about the amount Aviva Insurance Limited charged for their buildings insurance policy.

Mr C has primarily dealt with the matter, so I'll refer to him on behalf of Mrs C for ease of reading. Reference to Aviva includes its agents and representatives.

All premium figures will be rounded for simplicity.

## **What happened**

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Mr C took out a buildings insurance policy for his home, through B, an independent intermediary. It was underwritten by an insurer I'll call D.
- Mr C made a claim with D. At the November 2022 policy renewal, Aviva became the underwriter. It was told by B there was an open claim, with D, for accidental damage. Aviva set the premium based on this information at £250.
- At the 2023 renewal, Aviva set the premium to £400. D later reclassified the claim from accidental damage to subsidence. At the 2024 renewal, Aviva initially set the premium to £720. After the policy excess was increased, the premium became £580.
- Mr C complained about the premium increases. Aviva said they were correct, but it couldn't share any specific details about the underwriting process and calculations.
- Our investigator thought Aviva acted fairly. Mr C disagreed, so the complaint has been passed to me.

## **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.

When considering what's fair and reasonable in the circumstances I've taken into account relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Whilst I've read and taken into account everything said by both parties, I'll only comment on the points I think are relevant when reaching a fair outcome to this dispute. That's a reflection of the informal nature of this Service.

The scope of this decision is limited to Aviva's premium increases, up to and including the 2024 renewal. So I haven't considered any activities B or D are responsible for.

I agree with our investigator, and for the same reasons. Their explanation was clear and comprehensive, so I don't think it's necessary for me to go over everything again in detail. Instead, I'll summarise the main points:

- Each insurer is entitled to take its own view of risk and, based on that, whether to offer insurance cover to a particular policyholder – and, if so, at what price.
- Like any insurer, Aviva can generally take into account any relevant and accurate information it wishes when deciding how risky something is to insure.
- There are no rules or regulations or similar which prohibit Aviva from making its own underwriting decisions. It's entitled to make its own judgement about how risky it is to provide home insurance to Mr C.
- Mr C may disagree with or wish to challenge Aviva's underwriting approach. But Aviva is entitled to decide which risks it's prepared to insure, and on what terms. It's also entitled to decide what methods to use to judge the level of risk.
- Nonetheless, I would expect Aviva to be able to show its premium increase was fair. In these circumstances, that means it was in line with its general view of risk and meant Mr C was treated consistently with how any other policyholder in similar circumstances would have been.
- Aviva has shared underwriting and pricing information with this Service. It's commercially sensitive, so it wouldn't be appropriate for me to discuss it in detail. But I can reassure Mr C the information is persuasive, and I'm satisfied it shows the premium increase was fair because it met the test I set out in the bullet point above.
- Whilst Mr C may wish to understand the specific reasons behind Aviva's premium increase, that's not something I'd expect Aviva to share, given the commercially sensitive nature of it. Aviva has explained some of the key reasons in broad terms, including its perception of the risk of future claims and general market increases. I'm satisfied that's reasonable and sufficient in the circumstances.
- Overall, for the reasons given, I'm satisfied Aviva has acted fairly and reasonably, up to and including the 2024 renewal.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 13 February 2026.

James Neville  
**Ombudsman**