

## The complaint

Mr G with the assistance of his representative, complains that Saga Services Limited has treated him unfairly when pricing his home insurance policy over a number of years.

## What happened

Mr G has brought his complaint to this Service with the assistance of his son. He complains that Saga has failed to treat him fairly when providing his home insurance, with significant increases in price making the policy unaffordable.

In 2020, the cost of Mr G's home insurance was £1134.82. This dropped to £503.18 in 2021 before increasing to £960.59 in 2022, £2314.90 in 2023 and £3,457.69 in 2024.

The cost was unaffordable and Mr G needed to use a considerable amount of his monthly income to cover the cost of the insurance.

Mr G complained to Saga about the cost increases from 2021. He said it was increasing the cost of his insurance unfairly and was in breach of the FCA general pricing rules and said he had found insurance with Saga offered as a new customer for £897.17. Mr G's son feels Saga have taken advantage of Mr G and his vulnerability, he is an elderly gentleman who struggles with his hearing and vision. Despite being aware of this, Saga didn't offer to help Mr G search the wider market and look for cover at a more affordable price.

Saga looked at Mr G's complaint and said it didn't think it had done anything wrong with the price offered. It said the price is based on the individual circumstances of Mr G and his property and the assessment of this and the other wider risk considerations. Saga passes the details to its panel and the price is offered based on the information provided.

Saga explained it doesn't provide the underwriting itself but chooses the best price from its panel each year to offer the insurance.

Our investigator looked at this complaint and said they didn't think Saga needed to do anything else. They considered the premiums charged from 2020 through until 2024 and hadn't seen anything to demonstrate a failing. They felt Mr G had engaged with Saga about the cost of his policy and accepted this when the renewal was offered. Saga had shown it had provided the best price available for the insurance, based on its panel and the prices offered. And there was no indication it had taken advantage of Mr G's circumstances.

Mr G responded to say he didn't accept the outcome. He highlighted the quote he had provided which showed Saga offering the cover for a lower premium and his son also explained that he didn't think Saga did enough to support Mr G and his vulnerabilities.

Our investigator said their opinion remained unchanged and the case was referred for decision.

I issued a provisional decision on this complaint on 22 January 2026 and explained I didn't intend to uphold the complaint but for slightly different reasons to that of our investigator. I've

set out below what I said:

*I'm not planning on upholding this complaint. I appreciate this is a disappointing answer for Mr G and his family, but I'll explain why I haven't seen anything to demonstrate a failing with Saga and the insurance it has offered and provided Mr G.*

*The price of the insurance*

*Saga is not an underwriter and uses a panel of insurers to provide insurance for its customers, based on the information provided and needs of each customer. The panel of insurers take a view of the risk, based on the information provided and offer a price based on this. Saga takes the best price for the insurance from its panel and uses this to provide the total cost of the insurance. It adds a fee to cover the cost of its services and administration but these costs are not representative of the view of the risk, this taken by the insurer only.*

*With Saga not being the underwriter, it hasn't set the price but as an intermediary, it needs to ensure the information it is providing to its panel is correct. In 2021, the cost of the insurance dropped by more than £500 from the cost of the previous year and this drop was so great that Mr G called Saga to check there was no error. Saga's agent confirmed all information provided was correct and matched the previous years, including the details of the historic subsidence at the property.*

*I asked Saga to confirm the details it was sharing with its underwriter and a focus on the subsidence information to make sure there was no error, either in 2021 or the subsequent years. It has been able to confirm the information recorded is correct and I am satisfied from this; there has been no error.*

*I cannot share the breakdown of the cost of the policy with Mr G or his son, but can confirm from reviewing this, the price and the changes in price are driven by the underwriters view of the risk.*

*Mr G's son has said a quote was obtained online which shows Saga was offering to insure Mr G's property for a fixed price for three years at around £897 per annum. He feels this demonstrates Saga was taking advantage of Mr G as an existing customer and not adhering to the FCA's pricing rules, which require renewing customers to not be charged more than new customers.*

*I've looked at the quote provided and whether this demonstrates a like for like quotation in terms of the information set out about the risk being insured. Mr G has said when the quote was generated, the previous subsidence had been noted. But from the information I've seen, it doesn't look like this was included with the details of the property for the quotation. This has meant the quotation when generated returned a price which was lower, as the options for insurance from Saga's panel was greater. Unfortunately, this price was not correct as the information didn't reflect the property.*

*With the above in mind, I cannot say the price offered by Saga through the online quotation demonstrates the renewal prices offered were incorrect. It didn't show a like for like quote and the difference in the previous subsidence being recorded or not being recorded will have a significant impact on the price.*

*As a Service, we are not here to regulate on price. The FCA as the regulator sets principles and rules which need to be followed to support customers with understanding but it doesn't set a price insurers should charge for the services offered. This is a commercial decision that all are free to determine themselves.*

*The price of Mr G's policy provided by Saga has increased from 2021 quite significantly, but this alone doesn't show an error, or that Saga is taking advantage of Mr G. The renewal quotes provided included the correct wording which said that Mr G may be able to find a policy for less if he shopped around. This is something Mr G was also told on the phone during one of his calls to discuss the renewal.*

*I appreciate Mr and Mrs G said they didn't have access to the internet and couldn't use this and I'll deal with this later in my decision when thinking about the support provided. But I cannot see that Saga has breached the pricing rules in place, with either the price offered at renewal compared to the new business price, or with the information provided in the renewal invites.*

*Did Saga provide the right level of support*

*Mr G's son has set out how his father is partially blind and deaf and this has left him vulnerable to accepting the insurance offered by Saga. He feels it should have done more to search the market and support him with finding a policy at a more affordable price when it was clear how he struggled to afford the premium offered.*

*In 2023, Mr G called to speak with Saga about the cost of the insurance and the renewal invite. In this call, it is clear the agent understands the cost of the policy to Mr G is high and they looked at what could be done to reduce the price. They were able to make some changes to the cover and this saw a reduction but they couldn't go further. Mr G expressed how hard it would be finding the cost of this insurance and the agent asked a number of times if there was anyone that could support Mr G with shopping around, asking if there was a friend or family member that could do this.*

*I appreciate Mr G's son feels more could have been done here, including whether support could have been provided by Saga to help Mr G search the wider market. While I understand this concern and it is clear the agent understood Mr G was finding the increase in price difficult, they did ask a number of times if he had help available to search the market and they did what they could to reduce the price Saga was offering.*

*I don't think it is fair to expect a business to go beyond this when providing support to search the wider market. This is not a service Saga provides, nor does it set out this is something it can do. It is important it highlights there could be better options if the wider market is searched and where it is clear someone is struggling to do this themselves, ask if there is a wider support to do this, but I think it is unreasonable to expect the business to go further than this.*

*Overall, I appreciate how disappointing it is for Mr G to find his insurance provided by Saga to increase as it did. And how, even when asked if it could do better with the price, there was little movement and the cost was significant to the income Mr G had. However, SAGA has shown how the information provided to its underwriters was correct and the price offered was the best it could offer from this panel. And I think it provided the right level of support and information to Mr G to allow him to be informed that other options might result in a cheaper policy, but it is unfair to expect SAGA to go further and search the wider market for this.*

*Mr G's son responded to explain they didn't accept the decision. He said the quote had been completed with the correct details including the property address and it was clear Saga was looking to offer new customers better rates than existing customers.*

*The Chief Executive of Saga was made aware of these concerns and how Mr G was struggling to afford his insurance, but no further support was offered.*

The policy was replaced by another provider at around a tenth of the cost of the policy offered by Saga with a price closer to what Mr G's son believes is the price Saga offers to new customers.

Mr G's son also highlighted the recent Financial Inclusion Strategy which sets out the government's strategy on improving financial inclusion for underserved groups across the UK. He also referenced a British Insurance Broker's Association (BIBA) recent policy where it gives a greater focus on signposting access to insurance and reference was also made to the recent insurance super complaint, led by the consumer group Which.

Mr G's son asked, with Saga focusing on a 50 plus age group as its customer base, what had it done in this case to help and how was the policy offering benefits to a 90-year-old vulnerable customer. He couldn't see a vulnerable customer policy on Saga's website and questioned if this was being followed and he feels the Financial Conduct Authority requires more for vulnerable customers.

Saga responded and said it had nothing else to add and the complaint has been referred back 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.

Having reconsidered the information on this case and additional submissions made by Mr G's son, I am not persuaded to depart from my provisional decision.

Mr G's son has provided a number of links to things which he feels show a failing on the part of Saga when it provided Mr G with his insurance. This includes the recent Financial Inclusion Strategy and a new initiative from BIBA which was introduced this year, which focuses on encouraging brokers to sign post individuals to other insurance providers when they are not able to meet the needs of the customer they are working with.

The Financial Inclusion Strategy sets out the government's plans to implement a number of changes across the UK. It doesn't set out the obligations on Saga at the time it was providing Mr G with the renewal invites and working with him as its customer. Equally, BIBA's recommendation to its members to signpost for access to insurance is a commitment made in January 2026 and not something relevant to the renewal invites for 2020 through until 2024.

The relevant rules for Saga on what it needed to provide at renewal are set out in the Insurance Code of Business Sourcebook (ICOBS). ICOBS 6.5 details the renewal requirements including 6.5.1(4) which places the following requirement on Saga:

*"Where the proposed renewal will be the fourth or subsequent renewal the consumer has entered into in respect of the policy, the firm must include the following statement, to appear alongside the matters required by (3)(a), (b) and (c)(i) (but omitting (c)(ii)): "You have been with us a number of years. You may be able to get the insurance cover you want at a better price if you shop around."*

1. (5) The firm must communicate the information in (3) and (4):
  1. (a) clearly and accurately;
  2. (b) in writing or another durable medium; and

3. (c) *in a way that is accessible and which draws the consumer's attention to it as key information.*"

I'm satisfied the renewal invites provided the relevant information to be compliant with Saga's obligations. And in addition to this, the agent Mr G spoke with when discussing the policy in 2023 highlighted a number of times that Mr G could be better shopping around than accepting the price Saga could offer.

When Mr G had made it clear he found the price expensive, the agent did what they could to reduce the premium and work with Mr G to bring this down. This is in-line with what Saga says it will do when someone is having worries about the cost of their insurance.

I appreciate how Mr G's son doesn't think this is enough and the CEO was written to, to explain how the insurance was unaffordable and still nobody contacted Mr G to do more. Mr G's son has highlighted the cost of the policy now and how it's around a tenth of the price quoted by Saga in 2024. But the difference in price between one business and another does not show the policy at the higher price has been set up incorrectly, nor does it show the business is taking advantage.

Saga is not the underwriter directly and this policy has been underwritten by different underwriters during different years. Saga has explained why it moved to different underwriters as it looked to take the best price for Mr G each year. Saga makes its money on the policies sold for the service it provides via its margin which is added to the insurance premium. The calculations of this are business sensitive but I can see Saga has not, at any point increased this margin as the price of the insurance has increased. In contrast, this has reduced to lower the overall cost of the policy to Mr G.

This isn't going as far as Mr G and his son would have liked, but I am satisfied this shows it was acting fairly when playing its role as the intermediary providing Mr G's insurance.

Saga has a target market and Mr G's son feels this means it should take more care to protect vulnerable customers. Here, he feels Saga knew Mr G could not change his insurer because of his vulnerabilities and it took advantage of this. But as I've set out, I don't think this is the case with the actions it took. Saga has no means of identifying whether a customer is able to shop around or not. And the initial renewal invite sent is based on the view of the risks and price offered by the insurer with the margin added for Saga's service.

Had Saga been increasing the margin it was charging on the policy year on year; it might indicate it was taking advantage of Mr G's situation. But this was not the case and as well as reducing this margin each year, Saga made sure it selected the lowest price from its panel of insurers and sign posted Mr G to the fact he could be better off if he shopped around.

When Mr G said he couldn't shop around and had no one to assist with this, Saga did what it could within its power to reduce the cost of the service it was providing and this was fair. It didn't need to go further than this and I've not seen anything to persuade me it has failed under its obligations as set out with ICOBS and the Financial Conduct Authorities Principles.

I remain of the opinion that the quote produced by Mr G is not for a like for like policy and with this, there has been nothing to show a breach of ICOBS and new customers being charged less than existing customers.

Overall, with the price of the insurance offered by Saga and the cost Mr G was able to find this cover for elsewhere, it is understandable why concerns have been raised. But I am satisfied Saga has not treated Mr G unfairly when offering the price it did.

It has taken steps to search the panel it has access to at each renewal and offered the lowest price available through its panel. It has made sure the margin has reduced if the base cost of the policy has increased, taking steps to keep the overall price down and it did what it could to make changes and reduce the cost of the policy when Mr G made it clear he was struggling with the cost. To expect it to go further than this and introduce Mr G to other providers is not a service Saga offers and not something which would be fair to expect.

### **My final decision**

For the reasons I've explained above, I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 11 March 2026.

Thomas Brissenden  
**Ombudsman**