

## **The complaint**

Mrs B and Mr C complain about First Central Underwriting Limited (“FCUL”) and the decision to increase the policy premium following Mr C’s occupation change. Mrs B and Mr C have set out why they believe this decision was unfair and an example of discrimination.

Mrs B is the main policyholder and has acted as the main representative for most of the premium increase and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, by either Mrs B or Mr C as “Mrs B” throughout the decision where appropriate.

## **What happened**

The circumstances that led to the complaint and that occurred during the complaint are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, Mrs B held a motor insurance policy, underwritten by FCUL, that included Mr C as a named driver. This policy renewed on 17 July 2025.

But on 25 July 2025, FCUL and Mrs B had a telephone conversation after FCUL became aware that Mr C’s occupation status may have changed. On this call, Mrs B confirmed Mr C had medically retired. So, FCUL re-rated the policy premium, categorising Mr C as “not in employment”. This led to an increased premium, which Mrs B was unhappy about. So, she raised a complaint.

Mrs B’s complaint contained several elements. But in summary, she set out why she felt the premium increase was unfair and an example of discrimination, considering Mr C had needed to medically retire due to disability.

So, she wanted FCUL to reduce the premium back to the amount quoted and paid for at renewal plus compensation for the distress and inconvenience both she and Mr C had been caused.

FCUL responded to the complaint and didn’t uphold it initially. They set out why they thought they had re-priced Mrs B’s premium fairly, considering the change to Mr C’s occupation. But they did pay Mrs B £50 as a gesture of goodwill, after she initially challenged their first response. Mrs B remained unhappy with this response, so she referred her complaint to us.

While the complaint was with our service, FCUL made a proactive offer of an additional £150 compensation plus the chance for Mrs B to cancel the policy. They recognised they ought to have sought more clarity on Mr C’s change of occupation and that cancellation wasn’t offered to Mrs B when it should have been.

They also accepted they could have been clearer in their complaint response. Mrs B rejected this offer, so our service continued with our investigation.

And having done so, our investigator upheld the complaint. Both parties have had sight of this outcome, so I won’t be recounting it in detail. But to summarise, they didn’t agree that Mr C had been discriminated against or that FCUL were unfair when rerating the policy. But

they were satisfied FCUL ought to have rerated the policy listing Mr C as “retired” rather than “not in employment”. So, they directed FCUL to do this and notify Mrs B of the impact this had on the current premium, alongside the £150 already offered.

FCUL accepted this recommendation. But Mrs B and Mr C didn't, providing extensive commentary setting out why. In summary, they felt the £150 compensation failed to recognise the impact to them. And they maintained FCUL had failed to make reasonable adjustments for Mr C's disability, which they felt evidenced discrimination. As Mrs B and Mr C didn't agree, the complaint was passed to me for a decision.

I issued my provisional decision on 27 January 2026, where I set out my intention to uphold the complaint with added reasoning and a slightly different intended direction. Within that decision I said:

*“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 intend to uphold the complaint for similar reasons as the investigator, with added reasoning. And what I intend to direct FCUL to do differs slightly. I've focused my comments on what I think is relevant, in line with our services approach. So, while I want to reassure Mrs B and FCUL I've considered all the evidence and representations provided, if I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.*

*Before I explain why I've reached my intended decision, I want to make clear what I've been able to consider and how. I note Mrs B is unhappy with FCUL's handling of her complaint and the level of detail they provided within it. And I note FCUL themselves have commented on this point. But complaints handling is an unregulated activity and so, outside of our services jurisdiction to consider. Because of this, I won't be commenting on this issue, or the fairness of any offer FCUL have put forward to recognise it, within my decision.*

*Instead, my decision focuses on FCUL's decision to increase Mrs B's premium and whether they acted fairly through this process. And when doing so, I must be clear that while I recognise Mrs B and Mr C are seeking clarity on how their premium was rerated and priced, this is commercially sensitive information that FCUL aren't obliged, or expected, to provide to a customer.*

*So, I can't say they've acted unfairly when not providing this information to them. But I do want to reassure Mrs B and Mr C I've seen this pricing structure and underwriting criteria, and my intended decision has been made with this being considered.*

*In this situation, it's not disputed that Mr C's occupation was listed incorrectly when the insurance policy initially renewed on 17 July 2025. And, that Mrs B and Mr C did have an obligation to ensure the information they supplied FCUL at renewal was up to date and correct. So, I'm satisfied FCUL were fair to contact Mrs B and ascertain the correct information, before proceeding to rerate the policy based on this. And that this is what they would have done to any other customer, in the same situation.*

*But having listened to the call and having considered FCUL's more recent position in which they accept they ought to have done more, I'm satisfied FCUL acted unfairly when choosing to rerate the policy based on Mr C's occupation being categorised as “Not in Employment”.*

*Instead, considering the information provided on the call, I'm satisfied Mrs B made it*

*reasonably clear Mr C was medically retired. And given Mr C's confirmation to our service he receives a pension, which FCUL accept would lead to them categorising him as "retired", I'm satisfied FCUL ought to have rerated the policy with his occupation being listed as such. And by not doing so, they have acted unfairly.*

*I note it's this error Mrs B and Mr C feels evidences FCUL's discrimination. And I want to reassure Mrs B and Mr C I've considered this point at length. But when doing so, I also want to reiterate the point made by our investigator already that it's not my role, or the role of our service, to determine whether a business has acted unlawfully or breached the Equality Act 2010. This would be for a court to decide.*

*Instead, it is my role to take the Equality Act 2010 into account when considering FCUL's actions, to decide what was fair and reasonable in the circumstances of the complaint. And when the pricing of premiums are considered, our service would expect an insurer to ensure all customers are treated fairly and crucially, the same. And having reviewed the evidence available to me, I'm satisfied Mrs B and Mr C's policy was rated within FCUL's pricing structure, and underwriting criteria.*

*But crucially, I'm not satisfied FCUL would have made the same error they did, had Mr C not been medically retired. I've listened to the call, and it's clear that as Mrs B declared him medically retired, FCUL's agent then clarified that this meant Mr C was unable to work due to illness or disability. And following this, they explained they would rate him as "unemployed due to disability". But FCUL have confirmed they use "retired" as an occupation status. So, had Mr C been retired for a reason different to needing to retire on medical grounds, I'm satisfied the error most like wouldn't have occurred. So, I can understand why Mr C feels as though he's been treated differently and this is something I'll refer back to when discussing what I intend to direct FCUL to do to put things right.*

*I also note Mrs B and Mr C feels medically retired should be its own occupation status and FCUL have discriminating against Mr C by not having this category available. But FCUL have confirmed this isn't the case within their own underwriting criteria. And this is something our service is unable to comment on, or direct them to change, as it forms part of their own commercial decision making. So, I don't intend to find that FCUL acted unfairly for this point.*

*Further to this, I recognise Mrs B and Mr C have put forward additional considerations they feel FCUL should consider when rating their policy. For example, how Mr C's disability impacts the number of miles they will drive between them overall. But crucially, I wouldn't expect FCUL to deviate away from their pricing structure, or underwriting criteria, on an individual basis as by doing so, they risk treating one customer differently from another in similar circumstances, which isn't what we would expect them to do.*

*But for clarity, to answer this point specifically, I note on Mrs B and Mr C's policy schedule they list their estimated mileage for the year. So, if they felt they would do less due to Mr C's medical retirement, I'm satisfied they had an ability to provide this information in a way that could be considered as part of FCUL's usual rating criteria and pricing structure.*

### *Putting things right*

*I then turn to what I intend to direct FCUL to do to put things right. And when doing so, I want to be clear that any award or direction I make is intended to place Mrs B and Mr C back in the position they would have been in, had FCUL acted fairly in the first place.*

*In this situation, had FCUL acted fairly, they would have recognised that Mr C was medically retired and so, categorised him as “retired” when rerating the policy. So, this is what they should now do.*

*Further to this, and in line with our services approach, if this means that a higher premium is calculated, we expect FCUL to waive this additional amount and not attempt to collect it, as it was FCUL’s error that led to the initial premium. So, I intend to direct them to take that action if required.*

*And in the same vein, if this rerating leads to the additional premium being less than the additional amount calculated on 25 July 2025, then I intend to direct FCUL to refund Mrs B and Mr C the difference between the initial additional premium and the new, correct one. And they should apply 8% simple interest from 25 July 2025 to the date of refund. And in both situations, FCUL should ensure Mrs B and Mr C are allowed the opportunity to cancel the policy, should they not be happy with the amended premium, as already offered by FCUL.*

*I note our investigator recommended that FCUL also pay the £150 compensation they offered after our services involvement. But having considered this amount, and my finding that FCUL likely made the error as Mr C was medically retired, rather than retired by another reason, I’m not satisfied this is enough. Instead, I intend to increase this compensatory amount to £250, and I’ll explain why.*

*I’m satisfied it fairly recognises, and compensates Mrs B and Mr C for, the impact they have been caused by FCUL’s error when initially rerating the policy. I don’t doubt this would have been frustrating for them and that they have been inconvenienced when needing to challenge it, having been left feeling unheard and unfairly treated. And, that they weren’t made aware that they could cancel the policy when they should have been.*

*But I’m satisfied it also fairly takes into account the fact that, had Mrs B and Mr C provided FCUL with the correct information at the point of the policy renewal, which they were obliged to do, then the need for the rerating after renewal would have most likely been avoided altogether.*

*Further to this, it also fairly takes into consideration that in line with the Consumer Insurance (Disclosure and Representations) Act 2012 (“CIDRA”), considering Mrs B and Mr C accept the information supplied at renewal was incorrect, FCUL were entitled to take different action, such as voiding of the policy itself, which would have been recorded externally. And by not doing so, FCUL’s decision to rerate the policy instead was beneficial to Mrs B and Mr C. I note Mrs B and Mr C feel the above isn’t relevant to this complaint, but I can’t agree that’s the case, considering the rules and regulations FCUL work within. So, this is what I intend to direct FCUL to pay for distress and inconvenience.”*

## **Responses**

FCUL didn’t respond to my provisional decision by the deadline set. So, I’ve assumed they have no further comments or information to provide. Mrs B did respond, accepting the provisional decision on the basis FCUL contacted her and Mr C to discuss their current situation

## **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 see no reason to change my initial conclusion and so, I'm upholding the complaint. And what I am directing FCUL to take the actions set out within my final decision to put things right.

I want to be clear to Mrs B that my decision is intended to place her and Mr C back in the position they ought to have been in at the point FCUL they made their error, which in this situation was when they recorded Mr C's retirement unfairly, which then impacted their rating and the premium offered. So, my directions are intended to address this issue.

I note Mrs B would like FCUL to contact her to consider additional changes, such as their annual mileage and a change to her retirement status. These are new considerations that were not put to FCUL at the point this decision considers. So, it would be for Mrs B and FCUL to discuss these further changes separately to the directions set out within this decision.

### **Putting things right**

My provision decision sets out the actions and award I am now directing FCUL to make, including my reasoning. This is copied above and so, I won't be repeating it again.

### **My final decision**

For the reasons outlined above, I uphold Mrs B and Mr C's complaint about First Central Underwriting Limited and I direct them to take the following action:

- Rerate the policy categorising Mr C's occupation as "retired" from 25 July 2025;
- If this rerating leads to a higher premium being generated to what has already been charged, FCUL should waive this additional amount;
- If this rerating leads to a lower premium being generated compared to what has already been charged, FCUL should refund the difference between this amount and the premium generated when Mr C's occupation was listed as "not in employment";
- FCUL should also pay 8% simple interest on this refund, from 25 July 2025 to the date of refund;
- If Mrs B and Mr C are unhappy with the new premium, offer them the chance to cancel the policy; and
- Pay Mrs B and Mr C £250 compensation.

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

Josh Haskey  
**Ombudsman**