

## The complaint

Ms N complained about how U K Insurance Limited (UKI) handled the renewal of her motor insurance policy.

## What happened

UKI charged Ms N a premium of around £2,800 to renew her motor insurance policy in February 2024. She referred a complaint about this amount to our Service and, after UKI and Ms N accepted this Service's recommendation, UKI agreed to pay her around £1,100.

In February 2025, UKI quoted £2,454.44 to renew Ms N's policy. She took out the policy but expected UKI to recalculate the premium once liability for a claim she made in 2023 was settled in her favour. UKI told Ms N her claim was settled in June 2025, and she asked UKI to recalculate the premium, but they declined to make any changes. Ms N made a complaint. UKI responded that they made it clear before the policy renewed that the open status of her claim wasn't impacting the price offered.

Ms N referred her complaint to this Service. An Investigator looked into what happened but didn't uphold the complaint. She said the 2023 claim didn't affect the increase in Ms N's 2025 premium and she had the option of taking out a policy with another insurer if she wasn't happy with the price. Ms N disagreed. She said she was deterred from changing insurers and UKI had promised to recalculate her premium and refund her the difference once the claim was settled. The complaint couldn't be resolved so it has come to me to decide.

I wrote a provisional decision not upholding the complaint. Its findings form part of this final decision, so I've copied them in below. I also invited any further comments or evidence before I issued a final decision.

*As ours is an informal service, I'm not going to respond to every point or piece of evidence Ms N and UKI sent us. Instead, I've focused on what I consider to be key or central to the complaint. But I'd like to reassure both that I have considered everything submitted.*

*In a complaint response letter UKI issued in January 2025, they acknowledged they gave incorrect information to Ms N in the lead up to her February 2024 policy renewal. And, as a resolution to the complaint Ms N referred to this Service about that, they agreed to pay her the difference between her 2024 policy premium and the price of a quote for a policy by another insurer. That complaint was resolved and closed. The remit of Ms N's current complaint doesn't include UKI's actions leading up to the January 2025 final response letter and I won't be commenting on complaint points already dealt with by this Service.*

*Ms N thinks she was misled into believing a recalculation and refund of her 2025 premium would happen once her claim was closed. In a phone call before Ms N's policy renewed in February 2025, UKI told Ms N the claim wasn't a factor in the renewal price as it was already settled as non-fault, and the price wouldn't come down. I'm satisfied she was told it was other factors, not the claim, that affected the change in price – and she had the opportunity to find a cheaper policy if she wanted to. I think UKI also made clear to Ms N she had a 14-*

*day cooling off period if she no longer wanted to renew. Ms N said UKI strongly advised her not to take out a policy with a different insurer, but I haven't seen anything to suggest they did. And I note she told UKI a factor in her staying with them was because they'd been good to her during incidents that happened over the years.*

*Ms N said letters in July and August 2025 said UKI would recalculate the additional premium she paid. She says UKI misled her as she'd relied on their written confirmation that a recalculation would take place. I appreciate why it would have been disappointing to learn any potential recalculation wouldn't reduce her premium, but I've reviewed the letters and, although they say UKI will recalculate the premium, I don't agree they guarantee there would be a reduction. I also note these letters won't have played a part in whether Ms N chose to take out the policy in February 2025. Ultimately, I don't think UKI acted unfairly when corresponding about her February 2025 policy renewal or stopped her from taking out a policy with another provider if she preferred – and since UKI already settled the claim as non-fault, I don't find it unreasonable they didn't recalculate or reduce the premium.*

*For completeness, I've looked into whether UKI priced Ms N's 2025 premium fairly. The role of our Service isn't to tell an insurer what they should charge or to determine a price for the insurance they offer. That's a commercial judgement and for them to decide. But we can consider whether we agree a consumer has been treated fairly – this involves thinking about whether there's anything which demonstrates someone has been treated differently or less favourably than other customers.*

*UKI have provided this Service with confidential information to show what affected the increase in Ms N's price. I'm afraid I can't share this with her because it's commercially sensitive. Having considered it carefully, I'm satisfied Ms N's premium was calculated in a fair way and I've seen no evidence that other UKI customers in Ms N's position will have been charged a lower premium in the same circumstances. So, I won't be directing them to reduce the premium or take any other action.*

### **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.

In response to my provisional decision, UKI said they had no further comments to make. Ms N didn't reply. I haven't been provided with anything from Ms N or UKI in response to my provisional decision to persuade me to depart from what I've said. So, for the reasons set in my provisional decision, I'm not going to direct UKI to take any action.

### **My final decision**

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 23 March 2026.

Andrew Wakatsuki-Robinson  
**Ombudsman**