

## **complaint**

Mr M complains about the increase in his motor insurance premium by Admiral Insurance Company Limited.

## **background**

Mr M took out a motor insurance policy with Admiral in February 2015 shortly after passing his driving test. The policy was accepted on the basis that the vehicle had been purchased in 2006. So, Mr M's premium was based on applicable rates for owning the vehicle for nine years. The policy renewed in December 2015 and around June 2016 Mr M let Admiral know he'd moved home. Admiral asked him to send it the registration document for the car (the V5C). When it received it, Admiral noticed that the vehicle had actually been purchased in January 2015. Admiral told Mr M it needed to charge him an additional premium based on the correct information - that he'd only purchased the vehicle just before first taking the policy out. It charged him an additional premium of £1,294.64.

Mr M complained to Admiral. He said he'd accidentally said he'd bought the vehicle in 2006 – this was actually the year the car was manufactured. But he thought Admiral should've spotted that he'd openly declared he'd only had a driving licence for one month (as noted on the policy documents) and that he had no 'no claims bonus' ("NCB"). He thought this should've alerted Admiral to the fact he'd mistakenly given it the wrong information about how long he'd owned the car. He didn't think length of vehicle ownership should have any effect on the premium charged.

Admiral investigated Mr M's complaint. It said that:-

- it'd increased his premium because if it'd known he'd only just purchased the vehicle when it offered him cover the premium offered would've been greater;
- its claims experience had shown that customers that had just purchased a vehicle presented a higher risk than those who'd owned a vehicle for several years. Length of vehicle ownership was a relevant factor taken into account when calculating a premium;
- because Mr M had arranged the policy online it'd based the premium on the information he'd provided. It couldn't be responsible for any errors he'd made.
- it was only when he moved house that it discovered the vehicle had been purchased in 2015;
- Mr M could possibly have purchased the vehicle before he'd obtained his licence. So it didn't necessarily follow that just because he'd only had a licence for a month he couldn't have owned a vehicle before then;
- Mr M had admitted to not reading his policy documents – if he had he would've seen they contained incorrect information;
- It hadn't unfairly charged him an additional premium.

Unhappy with Admiral's decision, Mr M complained to this service. Our investigator investigated his complaint but didn't recommend that it was upheld. Mr M asked for his complaint to be referred for an ombudsman's decision.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I don't think Mr M's complaint should be upheld and I'll explain why. Mr M has admitted that he entered the incorrect date when asked how long he'd owned his car. I accept this was unintentional and purely a mistake on Mr M's part. But if he'd entered the date correctly he would've been charged the premium Admiral ultimately charged him once it found out the correct date. So, I don't think Mr M's been disadvantaged – he's now been asked to pay the premium he would've been charged from the outset (if the correct information had been given).

I don't think Admiral unreasonably failed to spot the error in the information given by Mr M. It's Mr M's responsibility to check his policy documents contain accurate information and he's said he didn't do so. Admiral has explained why it didn't see any inconsistency in the information it was presented with and I think the reasons it gave are fair.

Insurers take certain factors and criteria into account when calculating the risk they are being asked to insure, and when calculating the premium to cover that risk. These factors can differ from insurer to insurer. Admiral has explained that one of the factors it takes into account is the length of time the policyholder has owned the vehicle it's being asked to insure. Admiral has said its claims experience shows that customers who have just purchased a vehicle are more likely to make a claim than a customer who's owned a car for several years. As it perceives the risk for insuring a recently acquired car to be higher this is reflected in the premiums it charges.

I don't think Admiral has unfairly taken into account the length of time the vehicle was owned. Nor do I think Admiral has unfairly asked Mr M to pay an additional premium. I appreciate Mr M thinks Admiral has been unfair in doing so but I can't agree. It's up to an individual insurer to decide which factors it considers significant when calculating a premium. I've seen evidence from Admiral about how it 'rates' the length of vehicle ownership. I'm satisfied that Admiral rated Mr M's policy fairly and that he hasn't been treated differently to any other consumer with similar circumstances.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 October 2016.

Claire Woollerson  
**ombudsman**