

The complaint

Mr G and Mrs G have complained about the renewal premium charged by Admiral Insurance (Gibraltar) Limited ('Admiral') for their home insurance policy.

What happened

Mr G and Mrs G complained to Admiral about the renewal premium they were charged. They said the large increase in premium wasn't justified. When Admiral replied it explained some of the factors it took into account when calculating a premium. It also said Mr G and Mrs G weren't obliged to accept a renewal quote if they didn't want to do so.

So, Mr G and Mrs G complained to this service. Our investigator didn't uphold the complaint. He said Mr G and Mrs G had been treated fairly based on the underwriting criteria and in the same way as other customers in the same circumstances.

As Mr G and Mrs G didn't agree the premium increase was fair, the complaint was referred 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 done so, I don't uphold this complaint. I will explain why.

An insurer is entitled to decide how to assess the risks covered by a policy and to decide how much it will charge to provide cover, including when it renews a policy. This can mean that a premium can change at renewal and that different insurers charge higher or lower premiums than each other for similar cover. So long as an insurer has treated a consumer fairly and consistently with other consumers, this service would normally consider that was reasonable.

When Admiral responded to Mr G and Mrs G's complaint, it explained some of the factors it took into account when it calculated the renewal premium. These included personal details, address, the claims history, the cost of inflation and the cost of dealing with claims. It also explained why a claim Mr G and Mrs G made that was later declined was still relevant, which was because a loss had still happened and was part of their claims history. Admiral also noted that its rates could change because of factors such as an increase in claims in the policyholder's area or with other people who shared similar information to the policyholder. So, Admiral explained the type of information it took into account and that these could affect the renewal premium. I don't think there was anything unusual about the information Admiral considered when it calculated the renewal premium.

I have also looked at the underwriting information Admiral provided to this service. This showed how it rated elements of the policy. I haven't seen anything in the information that showed Admiral treated Mr G and Mrs G differently to how it treated other customers in similar circumstances.

I'm aware Mr G and Mrs G also spoke to Admiral about the renewal premium and Admiral agreed to reduce it. So, Mr G and Mrs G actively engaged in the renewal process, even if, overall, they didn't think Admiral should have increased the premium by the amount it did.

Mr G and Mrs G have said they renewed the policy because of the amount of time it took Admiral to deal with their claim, which was later declined. However, they weren't required to do this for their claim to continue to be considered. The renewal quote also said: "*You have been with us for a number of years You may be able to get the insurance cover you want at a better price if you shop around*". So, Admiral explained that Mr G and Mrs G might be able to get a better price elsewhere.

Having considered this complaint, I don't uphold it or require Admiral to do anything further.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 13 September 2023.

Louise O'Sullivan
Ombudsman