

The complaint

Mr T and Mrs T complain about how much they were charged by Ageas Insurance Limited for their motor insurance policy.

What happened

Mr T holds a motor insurance policy underwritten by Ageas. Mrs T is a named driver on the policy. She's been the one communicating with us on the complaint, but as Mr T is the main policyholder, I'll be referring to him alone throughout this decision for ease of reading.

Mr T complains that he was overcharged for the policy.

The policy began with what I'll call vehicle A on cover. Mr T then changed the vehicle to what I'll call vehicle B. Ageas charged an additional premium of £118.94 for the change (Mr T's broker also charged fees to make the change but they're not covered in this decision because they were applied by another business, the broker of the policy).

But the car Mr T changed the policy to wasn't ready to be collected, so the same day that Mr T made the change from vehicle A to vehicle B, he changed it back from vehicle B to vehicle A. This generated a return premium of £69.23.

A further return of premium of £79.88 was generated for matters unrelated to the change of vehicle.

Just over a month later, vehicle B was ready to be collected by Mr T, so he put in a further change of vehicle, from A to B. Ageas said this generated a further additional premium of £140.32.

Mr T complains that this is too much and doesn't think he's been charged fairly for what was in effect one change of vehicle (A to B).

Ageas didn't agree so Mr T brought his complaint to us.

Initially our investigator didn't uphold it because Ageas had shown that the price changes were generated automatically by its system, and they were satisfied that the premium did reflect the changes Mr T made.

Mr T didn't agree and asked for an ombudsman's decision, and on further investigation we asked Ageas to explain in detail why it thought the changes were fair.

Ageas responded and in summary said that a further return of premium of £91.00 should be made to Mr T.

We put this to Mr T and explained we thought this fair. But we didn't hear back, so the case remains with me to issue a final decision on.

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'm satisfied Ageas' offer to refund an additional £91 is reasonable. I'll explain why.

- All the change requests were made by Mr T. And Ageas used the data he inputted.
- Mr T made three change of vehicle requests on the policy. From A to B, from B to A and then from A to B again. Each one changed the premium.
- During the first change, Mr T also changed the occupation of a named driver, and the purchase date of the car. During the second two changes, the purchase date and occupation didn't change again.
- But in reality, Mr T only made one change of vehicle, from A to B (and one change in purchase date a driver occupation). Ageas were never on risk for vehicle B for the first change, because Mr T never took ownership of it.
- Over the three changes, Mr T's premium increased by £118.94 and £140.32, a total of £259.26. But it also decreased by £69.23 in between.
- Adding in the further refund of premium of £91.00, Mr T's policy increased by £259.26 during the changes made and decreased by £160.23 (£69.23 plus £91).
- What this means in effect is that the change of vehicle, purchase date and named driver occupation cost Mr T £99.03 in additional premium. I'm satisfied he hasn't been overcharged by way of being charged twice for the change.
- The changes do represent a change in risk, and I'm satisfied that risk has been assessed against Ageas's underwriting criteria.
- It should be noted that a further return of premium of £79.98 was made to the policy, but because this wasn't affected by the changes Mr T made, I've not included it in the calculations set out above.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint and require Ageas Insurance Limited to:

- Pay Mr T £91 to represent the additional premium return he should have been given when making the changes to his policy. 8% interest should also be added to this amount. Interest should be calculated from the date the policy was cancelled and the remaining balance became due, up to the date Ageas pays him this settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mrs T to accept or reject my decision before 17 August 2023.

Joe Thornley
Ombudsman