

The complaint

Mr W and Mrs W have complained about how UIA (Insurance) Limited ('UIA') priced their home insurance policy over several years.

What happened

Mr W and Mrs W were insured by UIA for many years. The insurer changed and when the new insurer provided a quote, it was for a lower premium than Mr W and Mrs W had been paying UIA. The quote also said Mr W and Mrs W's home had five bedrooms, which was wrong. So, they complained to UIA. They said the number of bedrooms was information UIA had provided to the new insurer and UIA had been overcharging them based on this incorrect information.

When UIA replied, it said different insurers had their own methods for calculating risk and premiums. It said UIA's pricing indicators for the policy were the postcode and the sum insured, but not the property type. It said it hadn't overcharged for the policy based on the property type.

So, Mr W and Mrs W complained to this service. Our investigator didn't uphold the complaint. He said the evidence provided by UIA showed it didn't use the property type or number of bedrooms to calculate the policy premium. He said there wasn't anything to show Mr W and Mrs W had been overcharged based on these factors.

As Mr W and Mrs W didn't agree, 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.

I've looked at the evidence provided to this service by UIA. This showed what information UIA used to calculate the premium. This didn't include the number of bedrooms. It told this service that its main rating factors were the sum insured and the postcode, which is what it previously told Mr W and Mrs W. It also said it didn't know the number of bedrooms at the property.

Mr W and Mrs W provided this service with a renewal letter UIA sent in 2014 that said: "*UIA underwrites home insurance on both a sums insured and bedroom rated basis, each of which have varying cover levels and premiums*". I asked UIA to explain what this meant. It replied and said it was describing the different types of policy offered, some of which were based on sums insured and some of which were based on a bedroom rating. It confirmed again that Mr W and Mrs W's policy wasn't bedroom rated. UIA also said that it didn't know the number of bedrooms and didn't provide this information to the new insurer.

UIA has shown this service how it calculated the premium. This didn't include the number of bedrooms. Reading the 2014 renewal wording, I'm not persuaded this showed Mr W and Mrs W's premium was based on a bedroom rating. I think it was describing the types of policies it offered more widely. I haven't seen anything that showed me the premium was calculated using the number of bedrooms or that this led to UIA overcharging for the policy. As a result, I don't uphold this complaint or require UIA to do anything further.

I'm aware Mr W and Mrs W have also said, as existing policyholders, UIA should have offered them the same rates as new customers. This is a different issue to the complaint I'm considering. They would need to raise it with UIA so it can consider it. I'm unable to comment on this any 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 Mr W and Mrs W to accept or reject my decision before 3 January 2024.

Louise O'Sullivan
Ombudsman