

## **The complaint**

Mrs M and Mr M complain about West Bay Insurance Plc's ("West Bay") decision to increase the price of their car insurance policy.

Mr M is the main policyholder, with Mrs M being a named driver. So, for ease of reference, I will refer to any actions taken, or comments made, by either Mrs M or Mr M as "Mr M" throughout the decision.

## **What happened**

Mr M took out a policy with West Bay after agreeing the price quoted. He says all claims and convictions were disclosed at the time. Mr M says West Bay then carried out validation checks and noted some differences between the claims information he disclosed and what was showing on the Claims and Underwriting Exchange ("CUE") database. He says West Bay then made some amendments to his policy based on the information showing on the CUE database which led to an increase in the premium. Mr M says he felt compelled to take out the policy as he needed cover, but he complained as he felt it was unfair West Bay asked for an additional premium when he'd already disclosed all claims – which were also non-fault.

West Bay responded and explained, when a policy is taken out over the telephone or online, they complete full validation checks to ensure all information is accurate. They said, when they compared the information provided by Mr M with what was showing on the CUE database, they identified some differences. They said these differences were discussed with Mr M and, after making the changes to the policy in line with this, the premium increased. West Bay said the price had correctly increased due to the changes made.

Our investigator looked into things for Mrs M and Mr M. He thought West Bay hadn't treated Mrs M and Mr M unfairly in increasing the premium. Mrs M and Mr M disagreed so the matter has come to me for a decision.

## **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've decided not to uphold the complaint. I understand Mrs M and Mr M will be disappointed by this but I'll explain why I have made this decision.

The role of this service when looking at complaints about insurance pricing isn't to tell a business what they should charge or to determine a price for the insurance they offer. This is a commercial judgement and for them to decide. But we can look to see whether we agree a consumer has been treated fairly – so is there anything which demonstrates they've been treated differently or less favourably. If we think someone has been treated unfairly, we can set out what we think is right to address this unfairness.

I can see Mr M applied for a policy with West Bay and, having paid the quoted price of £3,384.48, he took out the policy. West Bay then carried out validation checks and identified some information didn't match the information held on the CUE database. Mr M then provided the relevant information to show the incidents he'd disclosed were non-fault – and supported his claims disclosure when applying for the policy. Despite this, West Bay applied an additional premium of £783.16. I understand Mr M feels this is unfair given that West Bay had given him a price based on his disclosure that the incidents were non-fault yet, despite this, they increased the premium after the incidents were proven to be non-fault.

West Bay have provided information which shows they sent Mr M a welcome letter to say they're using various databases to validate the information he has provided. This includes a Statement of Fact which shows three claims listed, two against Mr M and one against Mrs M – all three are listed as 'non-fault.' West Bay then carried out checks against the CUE database. They've provided this information, and this shows the claims information provided by Mr M when applying for the policy didn't match the claims information on the database. In particular, the CUE database shows all three claims against Mr M's name, two of these claims showing as settled, and one claim showing as open/outstanding.

I've listened to a call recording where Mr M then discusses the claims with West Bay and he explains he doesn't understand why the April 2022 claim hasn't yet been settled but all claims are non-fault. They then discuss an incident in December 2019 which had been disclosed against Mrs M when taking out the policy. Mr M explains this was treated as notification only and should be against his name as he was the driver. In relation to the two claims showing as settled, Mr M obtained confirmation from his previous insurers that these were settled as 'notification only. The information provided by West Bay shows the information on the policy was then amended to show all three incidents against Mr M and the incident in April 2022 was now showing as open. The policy was then re-rated and led to an additional premium.

I do acknowledge Mr M's concern about West Bay giving him a policy after he'd paid the price agreed - and after he'd fully disclosed all claims - but then charging him an additional premium even after it was proved all claims were non-fault. It's clear from the information provided there were discrepancies between the information provided by Mr M when taking out the policy and the information showing on the CUE database. It's not unusual or uncommon for insurers or brokers to carry out verification checks and they'll do this to ensure the information they have available from a range of databases validates the information a customer has provided. If it's later found that some information doesn't match, then it's not unreasonable for an insurer to rate the policy again based on the amended and accurate information.

Turning now to the actual price increase, West Bay have provided me with confidential business sensitive information to explain how Mr M's price increase was calculated. I'm afraid I can't share this with him because it's commercially sensitive, but I've checked it carefully. And, I'm satisfied the price he has been quoted has been calculated correctly and fairly and I've seen no evidence that other West Bay customers in Mr M's position will have been charged a lower premium.

As mentioned above, I can't provide specific detail about West Bay's risk model, but I can see the rating factors and loadings applied to the original information provided by Mr M and compared this to the loadings applied after the claims information was amended. This shows an additional loading has been applied based on there being three recorded incidents against Mr M and one of these being open. And the information also shows how this has impacted the price. So, taking into account this information, I can't say West Bay have made a mistake in their calculation or otherwise treated Mr M unfairly in re-rating the policy to take into account the amended details.

I acknowledge Mr M has set out the circumstances of the incident which occurred in April 2022, and he also explained to West Bay his previous insurer is of the view it's non-fault. But, at the point West Bay re-rated Mr M's policy this claim was still open – and it's not unreasonable for them to rate the policy based on the risk information available at the time. I acknowledge Mr M says the claim was later settled as non-fault, but that wasn't the case when West Bay carried out their risk re-rating in order to offer Mr M a price.

I understand Mr M questions how a non-fault incident which has been treated as notification only, with no claim being made, can impact the price. I acknowledge Mr M may feel this is unfair, and I acknowledge two of the three incidents showing on his policy at the time he received the increased price, were confirmed as notification only. But I think it's important to mention here, it's for a business to decide what risks they're prepared to cover and how much weight to attach to those risks - different insurers will apply different factors. That's not to say an insurer offering a higher premium has made an error compared to an insurer offering a cheaper premium – but rather, it reflects the different approach they've decided to take to risk. This also applies to rating factors, and if an insurer decides to apply a rating factor to a non-fault notification incident, it doesn't mean they've acted unfairly.

I understand why Mr M has complained, and I hope he feels reassured that I've checked the pricing information from West Bay. But I can't say they've made a mistake or treated Mr M unfairly. I wish to reassure Mr M I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 29 December 2023.

Paviter Dhaddy  
**Ombudsman**