

## **The complaint**

Mr D complains about the price quoted by AXA Insurance UK Plc ("AXA") to renew his motor insurance policy.

## **What happened**

Mr D says he received a quote to renew his policy which was significantly higher than what he'd paid the previous year.

He complained to AXA about this. AXA responded and said their underwriters review several factors when considering the risks associated with insuring a vehicle. They said that if average costs increase then this will be reflected in their premiums. While they couldn't provide further details, they said Mr D's policy had been priced correctly.

AXA did offer a discount to Mr D, but he went on to renew the policy online at the quoted renewal price. Unhappy with AXA's response, Mr D referred the matter to the Financial Ombudsman.

Our investigator looked into things for Mr D. He thought AXA hadn't treated Mr D unfairly in relation to the pricing. Mr D 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 Mr D will be disappointed by this, but I'll explain why I've made this decision.

The role of this service when looking at complaints about insurance pricing isn't to tell an insurer what they should charge or to determine the right price for insurance policies they offer. This is a commercial decision that insurers are allowed to make. But we can look to see whether we think a consumer has been treated fairly, or whether there's anything to show they've been treated differently or less favourably. If we think someone has been treated unfairly, we can set out what we think needs to happen to put things right.

I can see Mr D paid a premium of £260.67 in 2022 and received a quote for £347.58 in 2023. This is around 33% more than what he paid the year before. So, I understand why Mr D is concerned about the increase.

AXA have provided me with confidential, business-sensitive information to explain how Mr D'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's been charged has been calculated correctly and fairly. I've seen no evidence to suggest that Mr D has been treated differently to other AXA customers in the same circumstances.

I can't provide specific detail about AXA's risk model. But, AXA have demonstrated that an important factor was the rising price of claims due to inflation in the market. Mr D may feel this is unfair, but AXA, like all insurers, will review their approach to risks at different points and this will result in changes to the premium. The rising costs in the insurance market are also well publicised. I haven't seen any evidence to suggest Mr D has been singled out by the increase.

When Mr D complained, I can see AXA offered a discount of £17.38. AXA have said this was a loyalty discount. So, I'm satisfied this wasn't to correct a mistake AXA had made with Mr D's original quote and was rather a discretionary discount they offered.

As I've said, I cannot share the information Mr D would likely want to see to understand why his premium increased for his renewal. I understand Mr D feels it's unfair that the information AXA have used to price his policy can't be disclosed to him. But this information is commercially sensitive, as it relates to the way AXA competes with other insurers in the market. I hope Mr D feels reassured that I've checked the pricing information from AXA. But I can't say they've made a mistake or treated Mr D unfairly in relation to pricing his renewal.

### **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 Mr D to accept or reject my decision before 24 November 2023.

Chris Woolaway  
**Ombudsman**