

The complaint

Mr S has complained about the price of his renewal premium quoted by Markerstudy Insurance Company Limited under his quad bike and motorbike insurance policy.

What happened

Mr S had insured his quad and motorbikes with Markerstudy's broker for many years, at least from 2016, under a type of multi-vehicle policy. In October 2022 he insured two motorbikes and quad bike for about £350 per year and he was very happy with that premium price.

Sadly, Mr S was involved in an accident also in October 2022. The next quote he received in November 2022 was just over £450 when at this time it was unknown whether the motorbike in the accident would be written off and Mr S was also happy with that.

Then the motorbike involved in the accident was deemed a total loss. So, Mr S bought another motorbike which he asked the broker to insure with his other vehicles. This time the quote generated was nearly £1,900. He S said he was very shocked at the substantial increase. So, he didn't accept that quote and found a better one elsewhere.

Mr S complained to the broker about the high premium quote as he felt he had been singled out and treated unfairly. And then he brought his complaint to us. It took some time to ensure it was Markerstudy who should respond to Mr S' complaint, which delayed matters. Neither the broker nor Markerstudy believed they had done anything wrong in calculating the quote to Mr S. The investigator also was of that same view. As Mr S didn't agree his complaint has been passed to me to decide.

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 not upholding this complaint. I'll now explain why. And I do appreciate and understand Mr S will be disappointed with my decision.

As the investigator told Mr S, this service isn't the regulator who monitors premium prices for insurance policies. The regulator is the Financial Conduct Authority (FCA) instead. However, this can service can check and make sure that Mr S wasn't singled out and treated unfairly in comparison to anyone else in similar circumstances.

How we do this, is to check the underwriting criteria and guide, which is used by the underwriters in setting the premium. Unfortunately, we can't share these guides or criteria with Mr S as this information is commercially sensitive to each insurer and we also publish our decisions in the public domain.

As the investigator explained in his view, both he and now I have checked the calculations, guides, and criteria in detail both from Markerstudy and indeed what the broker used also. There is no deviation away from the pricing guides, what needs to be taken into account and how that affected the premium price in Mr S' case. So, this shows me he wasn't singled out or treated differently to anyone else in his circumstances. The main reason for the substantial increase was the rating given to his new motorbike. This also means anyone else who had bought that type of motorbike at the time would have been treated the same as Mr S in calculating the premium.

Insurers are commercial enterprises and the FCA permits them to decide what issues they want to insure and what they don't want to insure. The FCA also permits them to rate certain issues as being more expensive or less expensive to insure. The FCA demands insurers don't however single out individual consumers and treat them any differently to any other consumer in the same circumstances, hence the underwriting guides and criteria being used to generate any premium. That means there is there nothing in the information sent to us by Markerstudy or its broker which broke any of the FCA's rules in calculating the amount of premium it wished to charge Mr S after he bought his new motorbike.

Further I don't consider it's at all relevant what might have happened in 2016. Premiums rates and their criteria are adjusted all the time as market forces change all the time too. So, what happed back in 2016 wouldn't have any relevance to what happened in 2022. Therefore, in conclusion, I don't consider Markerstudy did anything wrong.

My final decision

So, for these reasons, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 November 2023.

Rona Doyle
Ombudsman