

The complaint

Mr O complains about the price quoted by Skyfire Insurance Company Limited ("Skyfire") to renew his motor insurance policy. He also complains about the customer service he received during phone calls.

Skyfire are the insurers of Mr O's policy. Part of this complaint concerns the actions of an agent. As Skyfire have accepted they are accountable for the actions of the agent, any reference to Skyfire includes the actions of the agent.

What happened

Mr O received a quote to renew his policy which he says wasn't accurate – he says it also referred to his previous year's premium, but the price noted was incorrect. Skyfire explained the price had increased as a result of a change in the vehicle on cover as well as a fault claim showing on Mr O's policy – which had a corresponding impact on Mr O's No-Claims Discount ("NCD"). There were then discussions around Mr O paying Skyfire back the amount they'd paid for the claim in order to treat the claim as notification only and reinstate his NCD – which Mr O did. Mr O says he made several calls to Skyfire about his renewal but found their call handlers obstructive, unhelpful and not having adequate training to deal with his queries. Skyfire felt Mr O was aggressive during the calls and also used offensive language, so they took the decision to withdraw their offer of renewal to Mr O.

Our investigator looked into things for Mr O. He thought Skyfire hadn't treated Mr O unfairly in relation to the pricing. He also thought Skyfire hadn't acted unreasonably in deciding not to offer Mr O a renewal. Mr O 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 O will be disappointed by this but I'll explain why I have made this decision.

Pricing

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.

The original price to renew offered by Skyfire was £745.38. I can see the renewal information also refers to Mr O's price last year being £992.08 – which Mr O says isn't accurate. So, I understand why this price caused confusion. When providing a renewal

quote, it's not unusual or uncommon for insurers to set out the price a customer paid the previous year, for comparison. In this case though, there's no dispute Mr O didn't pay £992.08 for his policy the previous year. But, where the renewal sets out last year's price, underneath it, there's a box which says the price of £992.08 is what Mr O would've paid based on his current policy details – and taking into account any changes applied during the previous policy year. So, while I do understand why the figure alone would've caused confusion, I think Skyfire did explain what this figure represents.

Skyfire have provided me with confidential business sensitive information to explain how Mr O'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 method they've used to calculate the price isn't unreasonable and I've seen no evidence that other Skyfire customers in Mr O's position will have been charged a lower premium.

Skyfire confirm their rating structure is based on claims data, and how calculations are done using rating factors. I think what's important here is that it demonstrates the pricing model used to calculate Mr O's premium was no different to what was used for any other customer in the same circumstances. Mr O may feel this is unfair, but Skyfire, like all insurers, will review their approach to risks at different points and this will result in changes to the premium. So in short, they have treated all customers the same with the pricing calculation and Mr O hasn't been treated differently or unfairly when they chose to use this approach.

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. In this case, Skyfire refer to the renewal taking into account a change in car as well as the impact of a claim recorded on Mr O's policy. These factors will understandably have an impact on a price – so I can't say Skyfire have acted unfairly when pricing Mr O's renewal.

I can see, when Mr O raised a query about the price, Skyfire did apply a discount. I've listened to a recording of a call where Mr O asks Skyfire for their best price and the call handler starts looking at Mr O's policy cover to consider whether removing any add-on's might bring the price down. The call handler queries whether any information has changed, and Mr O then says his car is worth less than what they have recorded, and the call handler notes this.

The call handler asks if Mr O has obtained a quote online and he explains he had a quote for £650. The call handler explains they can offer a price of £645. Mr O declines this and asks the call handler to reduce this further. The call handler then makes some adjustments and then offers a price of £575.64. So, I'm satisfied the discount they applied here wasn't to correct a mistake they'd made with the original quote but was as a result of changes made to Mr O's policy details.

Refusal to renew and customer service

I understand Mr O is frustrated at Skyfire's decision to not offer a renewal. I can see Skyfire took this decision based on concerns they had with the manner in which Mr O was speaking with their call handlers. They say Mr O spoke in an aggressive manner and also used offensive language. Mr O says he made several calls to Skyfire to discuss his renewal but found their call handlers obstructive, unhelpful and not having adequate training to deal with his queries.

I've listened to call recordings between Mr O and Skyfire to discuss his renewal. It's clear Mr O was anxious about his renewal and wanted to get things sorted, and was left frustrated when he felt call handlers weren't being helpful. For example, Mr O calls and asks to speak with the member of staff dealing with his dispute with Skyfire relating to how his claim has been recorded on his policy. Mr O explains he needs to know Skyfire's offer of renewal and explains this needs sorting today as his policy ends at the end of the month. The call handler explains our service is dealing with the matter and they're awaiting the outcome. I acknowledge this frustrated Mr O, but I can see the dispute relating to how the claim was recorded was being handled by our service, so I don't think it was unreasonable for the call handler to refer Mr O to our service.

That said, I do acknowledge Mr O also had concerns about his renewal. During the call I've mentioned above, while the call handler didn't appear to acknowledge the renewal was a separate issue to the dispute surrounding the claim, I think overall Skyfire did handle Mr O's queries about renewal. For example, in later calls on the same day, Mr O calls Skyfire and asks them for their best price for renewal.

The call handler asks Mr O a series of questions and details of any online quotes he might've obtained to use as a reference point. In a further call, and as mentioned above, Skyfire make adjustments and apply a discount to the price. So, while I think the call handler in the earlier call could've done more to assist Mr O in relation to his concern about renewal, overall I think the service they provided was reasonable and addressed Mr O's query about the best price they could offer.

I acknowledge Mr O's concern about Skyfire withdrawing their offer of renewal and him having to take out cover with another insurer. Skyfire say this decision was based on how Mr O spoke with their members of staff and they won't tolerate aggression or offensive language towards staff. I've listened to a number of calls and, while I acknowledge Mr O was frustrated, I did hear offensive language being used on a number of occasions. Our service doesn't have the power to direct a business to offer a customer a renewal, but we would expect a business to treat their customers fairly. In this case, while I acknowledge Mr O was anxious about his renewal, I can't say Skyfire have acted unfairly in withdrawing their offer of renewal to Mr O based on his calls with members of staff at Skyfire.

I note Mr O says, during a particular call, the call handler was rude and said, "*We want nothing to do with you.*" I can see Mr O has provided a mobile phone call log indicating this call took place on 14 March. Skyfire have provided all call recordings from this date, and before. I've listened to all the call recordings but haven't noted this comment being made. The call on 14 March lasts for 26 seconds during which Mr O calls Skyfire and asks to be transferred to the customer relations team.

The call handler explains they'll pass Mr O through to them and the call ends. Mr O's call log suggests this call lasted 17 minutes, but Skyfire don't have a record of any call continuing beyond the call recording they've provided. So, I've carefully considered the information I do have and decided this on what I think is more likely than not.

Mr O's call log shows he made a call on 14 March at 9.06am – this is also consistent with the system data provided by Skyfire. The system data shows this call connects to a call handler on 9.07am, and this is also supported by the time on the call recording provided by Skyfire. The system data then shows the call was placed on hold at 9.08am – which is supported by the call recording as the call handler places Mr O on hold to transfer him. The system data then shows Mr O is still on hold at 9.16am when the call handler attempts to transfer the call. It's not clear what happened after this, but Skyfire believe Mr O would likely

have been on hold for seven minutes before ending the call or the call dropping – this makes up the 17 minutes showing on Mr O's call log.

Skyfire believe this is the case as their call system doesn't register a number as being in a queue, and only registers a call once the call connects to a call handler. I'm persuaded this was the case as Skyfire have also provided an audit trail showing access to Mr O's account on their system. This doesn't show any member of staff accessing Mr O's account during the time of the call – and I believe a call handler would've accessed Mr O's account had the call connected after being transferred. I say this because, from all the calls I've listened to, the call handlers have always started off the call by asking Mr O security questions and matching the answers given by Mr O to the information showing on the system. Had this call connected after being transferred, I think it's more likely than not a call handler would've carried out the security checks and would've had to access Mr O's account on the system – and that being the case, this would've shown on the audit trail. Given this isn't showing on the audit trail, I believe it's more likely than not the call didn't transfer to another call handler. So, on the basis there's no evidence of a call handler making a discourteous comment to Mr O, I can't say Skyfire have provided poor customer service.

I understand Mr O was left upset and frustrated following his calls with Skyfire, and I acknowledge he feels the call handlers weren't helpful. But I can't say I've found evidence of poor customer service here. I also understand why Mr O has complained about his renewal price, but I hope he feels reassured that I've carefully considered the pricing information from Skyfire. But I can't say they've made a mistake or treated Mr O unfairly. I wish to reassure Mr O 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 Mr O to accept or reject my decision before 7 November 2023.

Paviter Dhaddy
Ombudsman