

The complaint

Mr F complains about the price quoted by Ageas Insurance Limited (“Ageas”) to renew his car insurance policy.

What happened

Mr R says he received a renewal invite – which he says he was happy with. A third party then reversed into Mr R’s car while it was parked so he reported this to Ageas for information only. Mr R says he then received a revised renewal quoting a higher price. Mr R says he questioned this, but Ageas weren’t able to explain the price increase. Mr R says he wasn’t in his car at the time, so it wasn’t his fault, and he also didn’t make a claim on his policy. Mr R felt this was unfair, so he complained.

Ageas responded and explained, after Mr R informed them he didn’t wish to claim, they closed the claim as an information only non-fault accident. They said the claim was added to Mr R’s renewal information and this led to a price increase. Ageas said, although they understand the incident wasn’t Mr R’s fault, they do still apply a rating factor to non-fault claims. They explained this is due to the increased risk of a driver being involved in another claim. Ageas explained the correct rating factors had been applied and the price had been calculated correctly.

Our investigator looked into things for Mr R. She thought Ageas hadn’t treated Mr R unfairly in relation to the pricing. Mr R 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 R 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 R received a renewal invite quoting a price of £284.84. Then, following Mr R’s report of an incident, a revised quote was issued for £313.85. This was £29.01 more than the original quote so, given Mr R says he wasn’t at fault for the incident and also didn’t make a claim, I understand why he’s concerned about the price increase.

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.

Ageas have provided me with confidential business sensitive information to explain how Mr R'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 charged has been calculated correctly and fairly and I've seen no evidence that other Ageas customers in Mr R's position will have been charged a lower premium.

I can see Ageas have recorded the claim correctly. The information shows they've recorded Mr R's report as an information only non-fault claim. Ageas have provided evidence which shows this type of claim is subject to a rating factor – and how this rating changed after Mr R's claim was closed. So, I'm satisfied Ageas haven't made a mistake in calculating the price increase, or otherwise treated Mr R unfairly.

I acknowledge Mr R's concern that he wasn't in his car when the accident occurred, and he questions how he can be more of a risk to Ageas when the incident wasn't his fault. I do acknowledge Mr R's point, but, as mentioned above, it's for an insurer to decide what risks they're prepared to accept and what factors they feel present a risk. The way in which the rates are calculated are the same for all customers, so Ageas aren't treating Mr R differently.

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 F to accept or reject my decision before 26 September 2023.

Paviter Dhaddy
Ombudsman