

The complaint

Miss R complains that Aioi Nissay Dowa Insurance UK Limited (trading as insure the box) mishandled her motor insurance policy.

What happened

Miss R had a policy with Aioi Nissay Dowa to cover a car for the year from early November 2022. It was a telematics or “black box” policy.

The policy covered Miss R as policyholder. It also covered her mother and father as named drivers.

In February 2023, Miss R contacted Aioi Nissay Dowa about changing the car on the policy. Aioi Nissay Dowa quoted an additional premium of about £230.00 plus an amendment charge of £90.00.

Miss R’s mother paid the additional total of about £320.00. She complained to Aioi Nissay Dowa about the increased premium.

By a final response dated late April 2023, Aioi Nissay Dowa turned down the complaint.

Miss R’s mother brought her complaint to us in late May 2023. We treated it as a complaint by Miss R as she was the policyholder.

Our investigator didn’t recommend that the complaint should be upheld. He didn’t think that Aioi Nissay Dowa had done anything wrong.

Miss R disagreed with the investigator’s opinion. She asked for an ombudsman to review the complaint. She says, in summary, that:

- The insurer advertised the policy as follows:

“The black box data from our customers gives us a lot more information than traditional insurers have so we’re able to give accurate pricing with a solid estimate of each customer’s risk of having an accident. Driving safely can help you bring down the cost of your premium at renewal. On average our safer drivers paid a third less at their first renewal”.

- She was making a mid-term adjustment.
- The vehicle was identical, bar the colour.
- The box recorded the good quality of driving.
- She had improved as a driver and therefore did not pose any further risk.

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.

When Miss R took out the policy in early November 2022, she had one year's no-claims discount ("NCD"). It almost goes without saying that (leaving aside any extra miles) she wouldn't have to pay any more than the premium agreed.

Miss R had an expectation that, by November 2023, she would've earned two years' NCD.

Safer driving is important, and I accept that it tends to keep down renewal premiums.

When Miss R's mother completed our complaint form, she complained about the extra premium of about £230.00. She said that her daughter had been aware of the amendment fee of £90.00. I think that she was complaining to us about the £230.00 rather than the £90.00 or the overall total of about £320.00.

I accept that Miss R had a record of safer driving, and her new car was similar to her old car.

However, different insurers assess and price risk differently at different times. Aioi Nissay Dowa didn't have to take the November 2022 premium as a starting point and make adjustments from there. Rather it could apply its assessment and pricing criteria as they were by late February 2023.

Its pricing criteria are likely to have been changed in the light of factors that were nothing to do with Miss R. Such factors might include, for example, general price inflation or price inflation specific to the cost of repairs, hire cars or personal injury claims.

Insofar as Aioi Nissay Dowa applied criteria that were specific to Miss R, most of them hadn't changed. But (compared to November 2022) there had been a change in the length of time for which Miss R or her parents had owned the car. I recognise that, of all the criteria, this length of time will usually be shorter where there is a mid-term change of vehicle.

However, it's not my role to assess the risk. In particular, I can't tell the insurer that it should treat drivers who change their car for an identical model as having continuity of ownership.

From the evidence it's provided, I'm satisfied that Aioi Nissay Dowa assessed the risk and set the premium for Miss R in the same way it would've done for any other policyholder in her situation. So I can't say that Aioi Nissay Dowa treated Miss R unfairly.

She could've cancelled the policy and sought a better price elsewhere. I accept that Miss R was reluctant to cancel the policy, and take out a new one, losing the benefit of some months' NCD.

Whilst I understand Miss R's surprise and concern at the additional premium, I don't find it fair and reasonable direct Aioi Nissay Dowa to make any refund or to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Aioi Nissay Dowa Insurance UK Limited to do any more in response to this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 25 December 2023.

Christopher Gilbert
Ombudsman