

## **The complaint**

Mr W complains that Liverpool Victoria Insurance Company Limited (LV) unfairly increased the price of his motor insurance policy and hasn't explained the reason for the increase.

## **What happened**

Mr W says he received a quote to renew his motor insurance policy from LV which was significantly higher than the premium he paid in the previous year. He asked LV if this was a mistake or age discrimination and sought an explanation. LV said many factors were taken into consideration when calculating renewal premiums, including a rise in claims and a significant increase in the cost of resolving them. Mr W remained dissatisfied and so he approached this service.

Our investigator didn't uphold Mr W's complaint. She explained why she didn't think LV had treated him unfairly. As Mr W disagreed, his complaint has been passed to me to make a final 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 this complaint. I recognise Mr W will be disappointed with this outcome, so let me explain why I've reached my decision.

When looking at complaints about insurance pricing, it isn't the role of this service to tell an insurer what they should charge or to determine a price for the insurance they offer. This is a commercial decision insurers are entitled to make. 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 than another consumer. If we think someone has been treated unfairly, we can set out what we think should happen to put things right.

Mr W paid a premium of £1,045.95 in 2023 for two cars, but then received a quote of £1,927.47 in 2024. This is an increase of about 84%. So, I can understand why he was shocked by the price increase and be concerned that LV had made a mistake.

LV has provided me with confidential business sensitive information to explain how Mr W's price increase was calculated. I'm afraid I can't share this with him because it's commercially sensitive. But I'd like to reassure him that I've checked it carefully. And I'm satisfied the price Mr W has been charged has been calculated correctly and fairly. I can see the main factor which affected the price for Mr W's policy was an increase in perceived risk across a range of rating factors. LV explained that an increase in claims throughout the insurance industry has had an impact on premiums, as has a higher risk for one of the particular makes of vehicles Mr W was insuring.

Mr W was concerned LV had increased his premium due to his age. But I've not seen any evidence to suggest Mr W has been treated differently to any other of LV's customers in the

same circumstances.

I've looked at the insurance quote LV sent to Mr W in January 2024. I can see that LV reminded him in this renewal quote he could shop around to see if he could get a better price elsewhere. It's not clear when Mr W first took out his policy, but if there had been at least four renewals, then section 6.5 of the Insurance Conduct of Business Sourcebook (ICOBS) requires a business to provide specific wording about the benefits of shopping around. I can also see that the information in the quote is clear, accurate and not misleading, allowing Mr W to make a fully informed decision about whether or not to renew his policy. So, as well as treating Mr W fairly, I think LV has also acted in line with requirements set out under ICOBS.

I recognise that Mr W wants to know more details about what specific factors led to the significant increase in his premiums. And he was left frustrated at not receiving a response to the questions he put to LV. But pricing is an area where the information sitting behind an insurer's explanation will often be commercially sensitive. So, I don't think LV has acted unreasonably in not providing the detail requested by Mr W.

I understand why Mr W complained, and I hope he feels reassured that I've checked the pricing information from LV. But I can't say they've made a mistake or treated him unfairly. So, I don't require LV to do anything more.

### **My final decision**

For the reasons stated above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 31 July 2024.

Richard Walker  
**Ombudsman**