

The complaint

Mrs A has complained about the refund amount she received when she asked Sabre Insurance Company Limited to remove a named driver from her car insurance policy.

Mr A, one of the named drivers, is representing Mrs A in her complaint. For ease, I will refer to Mrs A in my decision, which includes Mr A's comments on their behalf.

What happened

Mrs A bought a car insurance policy through a broker which started with the insurer Sabre in November 2022. She added Mr A as a named driver. She also added her grandson as a named driver. According to the policy documents, Mrs A's grandson was insured with Sabre under a provisional licence.

In July 2023 Mrs A removed her grandson from the policy which resulted in a refund in premium. But Mrs A said the refund was much lower than she expected it to be.

Mrs A was unhappy that Sabre didn't respond to emails she says she sent it. We asked Mrs A to provide a copy of the emails, but she says this isn't possible due to the way Sabre's website operates. Mrs A says they spent time trying to contact Sabre through a phone number that was inoperable. We asked Mrs A to provide a copy of the document which held an inoperable contact number for Sabre. In response, Mrs A referred us to an earlier email where she listed two numbers: one of which doesn't connect and the other is identified as belonging to Sabre.

In February 2024 Sabre replied to Mrs A's complaint. It said the premium refund was calculated correctly. While there was a decrease in the premium, it wasn't to the extent Mrs A expected. As a goodwill gesture, Sabre said it would waive the administration fee of £16.80 it charged for removing Mrs A's grandson from her policy.

Our Investigator asked Sabre to provide a breakdown including its calculations and ratings to show it had treated Mrs A fairly when it removed her grandson from cover under the policy.

Having received this information from Sabre, in the second of two views, the Investigator set out the breakdown of charges which broadly matched the refund Mrs A received. This included broker fees as Mrs A bought her policy through a broker. There was an anomaly of around £7 in the calculations due to a variable commission rate applied by the broker. But the Investigator was satisfied that Sabre had provided a correct refund when removing Mrs A's grandson from the policy. The difference in premium with and without Mrs A's grandson as a named driver under the policy was £318.19.

Mrs A doesn't agree. She says Sabre hasn't been honest in its breakdown of the split in premium before and after removing her grandson from the policy. She says the cost to insure a young person with no driving experience is much more than £318.19. When she bought a policy in October 2023, the cost for her and Mr A as a named driver was £260.60. But she paid £1,507.63 for insurance for the year in November 2022 with Sabre which included her grandson.

So Mrs A wants an ombudsman 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.

As Mrs A says, the total premium she paid for insurance with Sabre including charges was £1,507.63.

When Mrs A asked to remove her grandson from the policy, it had been in force for 253 days. Sabre provided a pro rata refund to Mrs A. On a pro rata basis, the refund amounted to £97.65 for the remaining days left under the policy. Sabre has shown this service that if Mrs A's grandson hadn't been added to her policy, the premium would have been £1,189.44 a year. So the difference is £318.19.

Mrs A received a refund of £55.25 after the broker deducted a fee of £35.00. Sabre has acknowledged there is a slight differential in value of £7 which it explained is due to the live rate system used by the broker when the refund was made.

However, Sabre waived its administration fee of £16.80, which is more than the difference here.

I understand Mrs A says she was able to obtain much cheaper insurance elsewhere in October 2023. But that doesn't mean Sabre incorrectly calculated the premium it charged Mrs A in November 2022. We don't interfere with an insurer's commercial decision as to what price it charges for insurance. Insurers have different risk appetites which is why we see such a vast difference in prices on comparison websites for the same level of cover.

An insurer's underwriting criteria is commercially sensitive and so cannot be shared. But we can ask an insurer to share its underwriting information with us so that we can determine if a business has treated a customer as it would any other customer in the same circumstances when calculating the premium offered. I'm satisfied from the information I've seen that Sabre treated Mrs A fairly in the premium calculation and breakdowns it has provided.

Mrs A doesn't agree that any insurer would charge £318 to insure a young driver with no driving experience. My understanding from the policy I've seen is that Mrs A's grandson was insured with Sabre under a provisional licence. This means that Mrs A's grandson would have only been insured to drive accompanied. And so the price insurers charge for cover in these circumstances is generally much lower than for a young person who has just passed their test and able to drive unaccompanied.

I understand Mrs A says she had difficulty being able to contact Sabre by phone and she is very frustrated with having to spend time contacting Sabre and us about her complaint. Complaints handling isn't a regulated activity that the Financial Conduct Authority allows us to investigate. In any event, I think Sabre's response to Mrs A's complaint is reasonable and the fact it waived its administration fee when it removed Mrs A's grandson is a fair outcome overall.

I'm sorry to disappoint Mrs A. But I think Sabre has shown that it treated her fairly. So I'm not asking it to do any more.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 25 October 2024.

Geraldine Newbold
Ombudsman

