

The complaint

Mr W complains that AXA Insurance UK Plc unfairly increased his motor insurance premium when he changed address.

Mr W is represented in this matter by his wife, Mrs W. I'll refer to both in my decision.

What happened

Mr W had an AXA car insurance policy. In April 2024, soon after moving house, he contacted AXA to update his address. He initially tried to do this online but was surprised when he was quoted over £240 to make this change. He thought this was wrong so contacted AXA via its online chat function. The agent told Mr W the quote was correct.

Mrs W complained about this. AXA told her that *"any changes to the policy, whether permanent or temporary, will be treated as a variation"*, and had recalculated the premium. It said it hadn't made a mistake when pricing the policy. Mrs W remained dissatisfied so brought her complaint to this service.

Our investigator didn't recommend that the complaint should be upheld. She found that AXA had applied its underwriting criteria correctly when it calculated Mr W's new premium. She didn't think he'd been treated unfairly.

Mrs W didn't accept this, so the case was 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.

Under the policy terms, Mr W must tell AXA about any changes to his policy, including his address. The policy says: *"When you tell us about a change, we will assess how it affects your policy and you may need to pay an additional premium."* ('General Conditions', page 46)

As our investigator explained, our service can't tell an insurer how it should price risk or what an insurance policy should cost. The risk of insuring a car is AXA's to take on, so it's right that it – like any insurer – can decide how it assesses and prices risk. This assessment and pricing of risk depends on many different factors, including policyholder address.

AXA sent us detailed underwriting information about how it calculated Mr W's new premium. This information is commercially sensitive, and AXA has asked us to keep it confidential. That means I can't share it with Mrs W. I'd understand if she was frustrated by this, but we can only get this type of business sensitive information by assuring insurers that we won't share it. I've checked the underwriting information carefully. Having done so, I'm satisfied Mr W's premium has been calculated fairly.

Put simply, this wasn't an administrative charge for changing address. AXA recalculated Mr W's annual premium based on his new address. This was around £300 higher than at his old

address. In insurance terms, AXA's view of risk of Mr W's new address is higher than his old address. Mr W was three months into his policy year, so £240.39 was the pro-rated difference in premium for the remaining nine month policy term.

I recognise that Mrs W feels strongly about this and will be disappointed with my decision. But based on everything I've seen, I can't say AXA has done anything wrong. I won't be asking it to do anything more.

My final decision

My final decision is that 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 19 December 2024.

Simon Begley
Ombudsman