

The complaint

Mr A complains that Ageas Insurance Limited (“Ageas”) increased the renewal price of his car insurance policy.

What happened

Mr A had a motor insurance policy with Ageas. The policy was taken out through a broker.

He’d paid a premium of £242.38 for the period 2023-24. Ageas wrote to him at renewal and told him it would increase to £454 for 2024-25.

During the 2023-24 period, Mr A had made a non-fault claim when his car was hit by a negligent third party. This third-party driver was also insured by Ageas.

Mr A wasn’t happy about the rise in price and he complained. He ultimately didn’t renew with Ageas. Ageas said its renewal price was produced by its system.

As Mr A remained unhappy, he brought his complaint to this service. He asks that Ageas refund him some premium, plus £150 compensation.

Our investigator looked into his complaint and thought it wouldn’t be upheld. He said he thought Ageas had acted fairly and in line with its procedures when it offered Mr A his renewal.

Mr A didn’t agree and provided research showing that average renewals increased by much less than his policy. He asked that his complaint was reviewed by an ombudsman, so it’s has been passed to me to make 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.

I’m not upholding Mr A’s complaint and I’ll explain why.

I understand that Mr A is unhappy with his renewal being almost double his previous year’s policy.

In later correspondence with this service, Mr A has pointed out that a consumer organisation said that average premiums increased by about 25%-35% in quarter 1 and 2 from 2023-24. He suggests this makes his increase of about 87% a “mockery”.

I’ve looked at the information Ageas gave Mr A about his concerns. I can see it said that almost every piece of data he supplied it would be used as part of its rating process. So, although Mr A has found that average rates were going up by 25-35%, this doesn’t mean that the rate for his risk did the same.

It’s likely there would be a premium change due to the general rates of inflation, and the

more specific types of inflation paid by motor insurers such as vehicle repair costs and spare parts prices. Then there are other factors such as, but not exclusively, the age of the drivers that likely have an impact.

Mr A has talked about the collision he suffered when a third party hit his car. This too is taken into account when calculating a renewal premium. I understand this claim was settled for just over £1,300 on a non-fault basis. Mr A has questioned the impact of this and suggests that, because Ageas insured both parties in the collision, it wasn't really able to recover its costs from the third-party insurer. I'd point out that, in court, any subsequent action to recover costs would be taken in the names of the insured parties, not the insurer. So I don't find it likely that this would have taken place in the way Mr A may think it did.

I've looked at the rates Mr A was charged during the time in question. These are supplied to this service by Ageas and are commercially sensitive so I'm not able to share them here. But the rating is clear and I think Mr A was provided with Ageas' correct rate at renewal. It's also commented that Mr A lost at least one discount at renewal, as well as the rating changes mentioned above.

There's also a mention that Mr A had to shop around for cover, which he was able to buy for about £80 cheaper, but which came with slightly worse terms. I can also see that Mr A's broker still quoted Ageas as being its cheapest insurer at renewal which I think supports the idea that his premium was reasonable and in line with the market.

What this all means is that I think Ageas acted fairly and reasonably in how it priced and handled Mr A's renewal and I'm not upholding his complaint.

My final decision

For the reasons set out 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 Mr A to accept or reject my decision before 10 January 2025.

Richard Sowden
Ombudsman