

## **complaint**

Mr G has complained about Saga Services Limited actions when he contacted it about renewing his motorcycle insurance policy. In particular he says it didn't treat him fairly.

Reference to Saga includes its agents.

## **background**

Mr G had a bike insurance policy arranged by Saga. It wrote to him with a quote to renew his policy. Mr G wasn't happy that his premium had increased so he contacted Saga to see if it would offer him a cheaper premium. It told him it couldn't offer him a cheaper premium or offer a quotation for another bike he was interested in insuring.

Mr G brought his complaint to us. The adjudicator thought that Saga's renewal premium was fair. But she thought it could have gone further to explain why that was. In particular she said that it should have looked at a quote for a policy with third party only cover. So she said Saga should pay Mr G £60 compensation.

Saga didn't agree so the complaint's been passed to me to decide.

## **my findings**

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'm going to uphold it in part and my award for redress will be the same as the adjudicator recommended.

In bringing this complaint Mr G has made a number of detailed and specific complaints. But I don't intend to address each of those individually. That's because we are an informal dispute resolution service and as such my decisions are based on what I consider is fair and reasonable in all the circumstances of specific cases.

My remit doesn't extend to investigating regulatory concerns as that would be a matter for the Financial Conduct Authority (FCA). It's also not my role to comment on the actions of the insurance industry as a whole. But if I thought there was evidence of corruption or other actions in individual cases that needed the FCA's attention then we would make it aware of those circumstances. However, I haven't seen any evidence, beyond Mr G's allegations, of action by Saga that I feel require the FCA's attention.

I aim to make my decisions as clear and concise as possible. And while I've considered very carefully the points Mr G and Saga have made, I'm not required to address each and every point individually. Instead, in setting out what I think is a fair and reasonable outcome for this complaint I've focused on what I see as the key issues.

This complaint began when Saga told Mr G that his premium would increase at renewal. And Mr G has been clear that he thinks Saga has dealt with him unfairly; he doesn't think it searched the market to get him the best price. And he says it hasn't dealt with him as set out in the FCA's guidance for treating customers fairly. Mr G had a number of phone conversations with Saga, and I've listened to the available phone calls. Mr G was dissatisfied with Saga's handling of the calls. In those he said that Saga or its staff have, amongst other things: displayed "narcissistic behaviour"; "racist hate crime behaviour"; lied, been dishonest, misled him, lacked transparency; harassed, created distrust, been "criminal" and "corrupt".

Saga initially had told Mr G that it couldn't offer him a better price. Mr G thinks that Saga didn't try to find him a better price and so didn't treat him fairly. He says this was deliberate and motivated by his nationality. He's pointed out that he was able to get a cheaper premium through another business.

It might help if I explain that, it's not my role to say how much a broker or insurer should charge. We generally take the view that, providing they treat people fairly, businesses are entitled to charge what they feel they need to in order to cover a risk and their costs.

I've looked at the differences between Mr G's old premium and the quote Saga offered at renewal and I think Saga treated Mr G fairly. I haven't seen any evidence that it's singled him out or treated him any differently to other customers with similar circumstances. I certainly haven't seen anything that indicates that Mr G's nationality was a factor in the premium it quoted for his renewal.

Also, Mr G said that Saga didn't attempt to see if it could find him a cheaper quote. I've listened to the first call and I've noted that Saga's call handler said he could see if a lower mileage on the policy might make a difference. The call handler then put Mr G on hold for almost five minutes. And I think that would have been enough time for the call handler to change details on Saga's computer system, such as the yearly mileage, to see if it made a difference to the premium. So I think Saga did make an effort to see if it could find a cheaper quote.

I understand that Mr G is certain - as a matter of fact - the increase in premium was unfair. But it's certainly not unusual for a premium to increase at renewal. That's particularly the case where, as happened here, Mr G was previously a new customer of Saga, so when he first took out the policy it would have offered him a new customer discount which wouldn't have been available at renewal, as he was no longer a new customer. That's common across the insurance industry and I don't find it to be unfair.

Also I don't think the fact that Mr G was able to find a cheaper quote elsewhere means that Saga treated him unfairly. Saga acted as a broker. That means it went to the panel of insurers it works with to see what quotes it could provide for the cover they offer. And it offered Mr G the cheapest quote from that panel of insurers. But Saga doesn't work with every insurer in the market, so it's always possible that another insurer - that isn't on Saga's panel - could offer cheaper insurance. It's also possible that another broker, to whom Mr G is a new customer, could offer him a new customer discount, which would reduce the cost of his cover for the next year. So I don't think that the fact that Mr G found cheaper cover elsewhere means that a Saga acted unfairly.

That said, I've seen that Mr G specifically wanted to see if Saga could offer him a lower premium by seeing if switching to a third party only policy would help. And I can't see that Saga looked into whether this would provide a lower premium while he was on the phone to it. Saga's since told us that a third party only policy would have been even more expensive than the quote it had already offered. And it's shown me evidence to prove that. But it would have been helpful if Saga had run the quote and explained that to Mr G at the time. I've heard the call when Mr G mentions this. It wasn't an easy call for Saga to deal with as Mr G is clearly not happy with its service. And he repeated some of the allegations I've referred to above.

But I think Saga could have done more to check how much a third party only premium would have been. And running that quote might have helped to persuade Mr G that it was doing what it could for him in terms of looking for a cheaper premium. That said, it's clearly Mr G's deeply held belief - which I think he would describe as a fact – that some insurers are corrupt and prejudiced against people of his nationality. So I can't be sure that telling him third party only cover would actually be more expensive would have led to a different outcome. And I'll repeat that I haven't seen any evidence, beyond Mr G's comments, that Saga dealt with Mr G any differently to how it would deal with people of other nationalities with similar circumstances.

But the fact remains that Saga didn't do what Mr G asked it to in terms of looking at a third party only premium, or, if it did at the time I don't think it made that clear to Mr G. And I think not doing that was an omission that added to Mr G's understanding that Saga was treating him unfairly. And it's clearly added to Mr G's distress and inconvenience. To address that I think saga should pay Mr G £60 compensation.

For completeness I'll add that Mr G's made a number of complaints about our service. But my remit is limited to looking into complaints about the businesses in our jurisdiction. So I'm not going to comment on his complaint about this service's actions.

### **my final decision**

For the reasons set out above I partly uphold this complaint. I require Saga Services Limited to pay Mr G £60 compensation for his distress and inconvenience. It should pay the compensation within 28 days of us telling it that Mr G has accepted my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple<sup>1</sup>.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 22 January 2018.

Joe Scott  
**ombudsman**

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<sup>1</sup> If Saga pays interest and considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr G how much it's taken off. It should also give Mr G a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.