

# Direct Line to axe 550 jobs under cost-cutting plan



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[Direct Line](#) Group has revealed plans to axe around 550 jobs as it looks to cut costs amid a turnaround at the insurer.

The group said it is consulting on the cuts as it seeks to save £50 million in 2025, although it stressed some of the role reductions will include vacancies no longer being filled.

Direct Line said it comes as its “drive to create a leaner and more efficient operating model is advancing”.

The job reductions represent more than 5% of the 9,000 workers employed by the group.

Direct Line declined to give details about which jobs will be affected.

We believe the steps we are taking will position the company for enhanced profitability and growth

Adam Winslow, Direct Line Group

The cuts were announced in a trading update showing the group lost yet more motor insurance customers over the third quarter, with policyholders for its own-brand cover down 11% year on year at 3.05 million.

Chief executive Adam Winslow said: "We are in the early stages of a significant turnaround and our third quarter trading is not yet fully reflective of the actions we have taken."

He said trading in motor had been "challenging".

But he added: "We believe the steps we are taking will position the company for enhanced profitability and growth."

Direct Line has been looking to turn around the business after being caught on the back foot last year by the soaring cost of claims.

Former boss Penny James stepped down last year in the wake of a profit warning and move to scrap the shareholder dividend, while the firm was also forced to fend off a £3.1 billion takeover attempt from [Belgian](#) rival Ageas earlier in 2024.

It has been leading a revamp plan under new boss Mr Winslow, which has included slashing costs and increasing the price of its insurance.

But moves to raise the cost of motor cover significantly has seen it shed customers, with another 71,000 own-brand motor policyholders lost during the three months to the end of September alone.

Over the past year as a whole, nearly 400,000 own-brand motor policyholders have quit the group.

It revealed that average premiums for customers renewing policies surged to £505 in the third quarter from £480 a year ago.

But the cost of renewing cover has eased back from a peak of £515 on average in the first quarter of the year, while new business premiums dropped from £588 a year ago to £557.

It said the motor customer exodus has begun to ease, with the launch of its Direct Line brand on price comparison websites helping customer numbers recover.