

The complaint

Ms B complained that AA Underwriting Insurance Company Limited (“AA”) didn’t fix her car properly following an accident and provided poor customer service / caused delays throughout her claim under her motor policy.

What happened

Following an accident, Ms B made a claim to AA to remedy her situation. Unfortunately, Ms B was extremely disappointed in the service she received.

AA have acknowledged the service provided was poor, their approved contractor didn’t fix the car properly and it caused avoidable delays in putting things right. Ms B had to take a loan out with a friend to get her car repaired as she didn’t trust the work of AA. She incurred costs in having her car retrieved, as well as storage costs waiting for AA’s engineers to inspect her car.

AA have paid Ms B £1,000 in compensation for the distress and inconvenience caused and has offered to honour interest payments for the loan she has taken out. It also paid her £560 for loss of use of her own vehicle.

Our investigator decided to uphold the complaint. She thought AA should reimburse Ms B for any costs she incurred for recovering her car, getting it repaired and for storing it. She added £400 loss of use payments between 19 October 2023 to 13 December 2023 and a further £500 compensation for distress and inconvenience. AA disagreed, so the case has been referred to an ombudsman.

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.

AA has acknowledged it’s failings. It has said it’s willing to cover the cost of the repairs and pay our investigator’s recommendation for further loss of use. However, it said it thinks the additional £500 compensation for distress and inconvenience is excessive.

As most of our investigator’s findings have been accepted by both parties, I see no reason why I need to reconsider these. I will reinforce these in my decision. Therefore, I uphold this complaint, I require AA to:

- Reimburse Ms B the amount it cost to have her car retrieved and repaired, based upon valid receipts provided (if not paid already)
- Reimburse Ms B the amount it cost to have her car stored while awaiting the AA’s engineer review, based upon valid receipts provided (if not paid already)
- Pay Ms B £50 per week for loss of use of her car, for the eight weeks she was without her car between 18 October 2023 until 13 December 2023.

I will consider what I think a reasonable level of compensation should be given the parties have differing views on this.

I've considered areas where Ms B has suffered either distress or inconvenience.

The accident itself was caused by the poor workmanship by AA's own contractor. The deficiency put Ms B in a very dangerous situation and she's fortunate not to have suffered more serious injuries. I think the event itself would've been scary for her and she'd have been worried. I think the memories from the accident could also cause Ms B distress.

In insurance claims, I'd expect the management of the claim to be led by the insurer or its representatives. Due to the number of claims managed, insurers are experts at this. Customers will claim infrequently. So, I'd expect AA to have carefully led Ms B through the process and help her through what was quite a traumatic event.

Unfortunately, AA failed in its duties – there is several pieces of evidence of limited assistance for Ms B during the claim, minimal contact and communication with her and ultimately slow progression of the claim. I think this will have inconvenienced Ms B significantly over a long period. She'd have been without the comfort of her own car for longer than was necessary.

The impact on Ms B was greater due to her circumstances. The requirement for her to travel and to meet family commitments. AA failed in providing Ms B a courtesy car. Given it had caused the issues, this was the least it could've done. I appreciate some allowance has now been provided for the loss of use of the car. But given, the length of time this has been ongoing, I think the level of compensation is greater than simple loss of use payments.

The whole process has dragged on due to AA's incompetence. As Ms B was unable to trust AA any further she had the repairs carried out herself and it put her in a vulnerable position having to ask a friend to lend her some money. AA have offered to pay interest on the loan, but Ms B's circumstances don't allow her to accept this. I note AA hasn't offered anything as an alternative.

I think the severity of AA's failure is high here. The danger created, the delays caused and the failure to stop the sequence of damaging actions. Therefore, I uphold this complaint and I add a further £500 compensation for distress and inconvenience. I think the mistakes have caused substantial distress, upset and worry. There has been serious disruption to daily life over a sustained period.

My final decision

My final decision is that I uphold this complaint. I require AA Underwriting Insurance Company Limited to:

- Reimburse Ms B the amount it cost to have her car retrieved and repaired, based upon valid receipts provided (if not paid already)
- Reimburse Ms B the amount it cost to have her car stored while awaiting the AA's engineer review, based upon valid receipts provided (if not paid already)
- Pay Ms B £50 per week for loss of use of her car, for the eight weeks she without her car between 18 October 2023 until 13 December 2023.
- Pay Ms B £500 additional compensation – for distress and inconvenience, so £1,500 in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or

reject my decision before 4 June 2024.

Pete Averill
Ombudsman