

The complaint

Mr B complains about the service he received from Automobile Association Insurance Services Limited ("AA"). He says it didn't send him the terms and conditions for parts and garage cover when he took out a breakdown policy online. He's also complained that it didn't notify him of a premium increase at renewal.

What happened

In July 2021, Mr B took out breakdown cover through AA, who acted as the broker. Mr B purchased the policy online. The level of cover he took out included parts and garage cover.

In April 2023, Mr B phoned AA and said he wanted to claim for the cost of repairs following a tyre puncture, he'd sought roadside assistance for in October 2021. Mr B said his tyre, wheel, shock absorber and some other parts were damaged as a result of the puncture.

AA told Mr B that parts and garage cover didn't cover tyres as a cause of failure, nor any consequence of the tyre failing. It said this information could be found in the "Parts and Garage Cover" booklet which was separate to the AA terms and conditions.

Mr B said the parts and garage cover booklet wasn't attached to the email that was sent to him when he took out the policy in July 2021. He complained to AA that it hadn't made him aware that the parts he wanted to claim for weren't covered by the policy. Mr B also raised concerns that AA hadn't made him aware of an increase in his premiums in mid-2022 and he'd been charged for a year without being properly informed.

AA said the welcome pack email that was sent to Mr B in July 2021 should have included both AA membership and parts and garage cover terms and conditions. Even if the terms weren't included, they were provided prior to him purchasing the cover online and were always available on the AA website. It said it was its customers' responsibility to read through terms and conditions and ensure they were aware of the entitlements and restrictions of cover they have or intended to purchase.

AA said it had issued renewal documentation by post in May 2022 and this hadn't been returned. Payments were taken by direct debit in good faith. It would expect its customers to notice if a different monthly instalment was being collected and contact AA if they had a concern.

Mr B remained unhappy and asked our service to consider his concerns. Our investigator didn't think Mr B's complaint should be upheld. She was satisfied AA had provided sufficient information to Mr B when he took out the policy and at renewal.

Mr B disagreed with our investigator's outcome. He said the parts and garage cover terms and conditions should have been included in AA's welcome pack, but they weren't. It was AA's responsibility to inform him of the policy's exclusions, not his to go on its website. There was no mention of exclusions regarding damaged tyres in the policy documents he'd received. He wasn't informed about obtaining the parts and garage cover terms and conditions. He didn't think AA had been transparent. He said he would have cancelled his policy if he'd been aware of the additional clauses.

As Mr B disagrees with our investigator's outcome, his complaint has been passed to me to decide.

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.

Having done so, I've decided not to uphold Mr B's complaint. I'll explain why.

I'm aware that Mr B also brought a complaint about the underwriter of the policy to our service regarding its decision to decline his claim. In this decision, I've only considered the actions of AA in its capacity as the broker.

AA has an obligation to pay due regard to the information needs of its customers and communicate with them in a way which is clear, fair and not misleading.

I've looked at what was showing on AA's website when Mr B took out the cover in July 2021. I can see that parts and garage cover was an optional extra and there was a separate terms and conditions booklet for this. AA says Mr B would have needed to agree to the terms and conditions when he took out the policy and I think this is likely to have been the case.

AA has provided a copy of the welcome email that was sent to Mr B after he took out the policy online.

This says:

"We've attached your Policy Documents. Save them to your computer now to print them any time."

"You can only get help with Parts and Garage Cover bills for breakdowns that happen after the first 14 days of purchasing your cover. You can find full details of the claims process and your policy in your Parts and Garage Cover terms and conditions booklet"

So, I'm satisfied AA made Mr B aware there was a separate parts and garage cover terms and conditions booklet in its welcome email, even if the booklet wasn't attached.

I appreciate it was disappointing for Mr B to find that he wasn't able to claim for the repairs he'd wanted to almost two years after he took out the policy. But I'm not persuaded that AA was trying to hide essential information from him. I'm satisfied that the relevant terms and conditions were available to Mr B before and after he took out the policy. Mr B chose to include parts and garage cover in his breakdown policy. It was up to him to read the information available to him to ensure it met his needs.

Mr B has also complained that he wasn't made aware of an increase in his premium when the policy was renewed in 2022. AA has provided a copy of the renewal letter it says was sent to Mr B in May 2022 which advises him of the premium increase. It's also provided a screen shot of its correspondence screen to show that it was sent. Mr B says he didn't receive the letter, but it's correctly addressed and AA says it wasn't returned.

Based on what I've seen, I think AA is likely to have sent the letter. So, I'm not persuaded it didn't inform Mr B of the change in the premium.

It's possible Mr B didn't receive the letter, but payments were taken monthly by direct debit so they would likely have shown on his bank statements. It's unfortunate that Mr B doesn't appear to have noticed the change in premium for almost a year. AA says it would have discussed this with him if he'd made it aware of a concern about the amount. I also note that the terms allowed him to cancel the policy at any time by giving AA 30 days' notice. As I'm satisfied notification of the premium increase was sent to Mr B, I'm not persuaded AA has done anything wrong here.

I know my answer will be disappointing for Mr B, but I haven't found reason to uphold his complaint.

My final decision

For the reasons I've explained, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 October 2023.

Anne Muscroft
Ombudsman