

The complaint

Mr F complains that AA Underwriting Insurance Company Limited (“AA”) is responsible for poor service in connection with a claim on his motor insurance policy.

What happened

The subject matter of the claim and the complaint is a car. It had first been registered in 2018, when Mr F acquired it.

For the year from mid-February 2023, Mr F insured the car on a comprehensive policy with AA. Any claim for damage (other than a windscreen glass claim) was subject to an excess of £350.00.

Mr F also had the optional extra of “motor legal assistance” (“MLA”).

Unfortunately, in mid-March 2023, Mr F and his car were involved in an incident with a cyclist. The cyclist made a claim against Mr F.

Mr F said that the incident had caused minor damage to one side of his car. He got an estimate of £264.00 for the repair costs. He sent that estimate to AA.

In late June 2023, Mr F complained to AA about how it was treating him.

After making his complaint, Mr F chased AA on about 14 August 2023.

AA wrote a final response dated 16 August 2023, turning down the complaint. It said that AA was chasing the police report. AA said it would be unable to process a claim for repairs as they were less than the excess. AA said that Mr F could use MLA and if they took on his claim, he could recover losses such as the vehicle damage. The final response said that liability was still outstanding, and AA would keep Mr F informed of any changes.

Mr F didn’t receive that response from AA. So he brought his complaint to us in late August 2023.

Our investigator didn’t recommend that the complaint should be upheld. She thought that AA will only provide an update when there is an update to be given – and at the point of the final response letter, liability was still being disputed. She thought that there was no claim to be raised, as the excess was greater than the cost of the repairs.

Mr F disagreed with the investigator’s opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- The police issued a letter on 20 April 2023 stating that they would not take the matter further. He included that with his complaint to AA dated 26 June 2023.
- His formal complaint of 26 June 2023 asks questions of AA.
- He did not receive the final response dated 16 August 2023 until our investigator sent

it to him in early January 2024.

- However AA have not answered the questions in his complaint.

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.

Scope of this decision

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules. We operate a two-stage process under which an investigator gives an opinion, and an ombudsman gives a decision.

One of the rules is that, before we can investigate a consumer's complaint, the consumer must first have made that complaint to the regulated firm and waited for up to eight weeks for a final response. It follows that we can investigate a complaint which was (or should've been) the subject of the final response.

In Mr F's case, his complaint was as follows:

"Following my conversation with [named individual], I attach the letter from the police to advise that they are not proceeding with a prosecution in connection with the accident on 14th.March. Please take this e-mail as a formal complaint at the way I am being treated in this matter. I telephoned a month ago and was advised that you had just received the details following the claim by the other party and would contact me when the information had been examined. I have not received any contact since my call. I asked if I could be given the name and address of the other party and was advised that I would be given this information, as I was entitled to know. I have received no information. I was informed by [same named individual] that I was not entitled to this information owing to Data Protection. This recent contact was a result of you advising me that the quotation I had sent to you for the repair of my car would not be paid owing to the excess on my policy. How is it that you are not setting this against the other party as it was they who caused the damage. I believe you are not treating me with respect and as a customer in this matter."

That was Mr F's complaint, and we can look only at that complaint.

I've added the underlining and I will come back to that.

I can't look into later complaints, such as Mr F's complaint that – since the final response - there must've been further developments about which AA hasn't updated him.

Consideration of the complaint

I've seen that AA arranged to interview Mr F to take a written statement from him.

Mr F's complaint in late June 2023 enclosed the letter dated 20 April 2023 saying that the police were taking no further action. AA's final response said that it was waiting for the police report. That would be different to the letter dated 20 April 2023.

Mr F's complaint referred to his earlier request for the cyclist's name and address. Whilst I don't condone any earlier conflicting information, I consider that AA's final response correctly stated that AA couldn't disclose the name and address.

The only question Mr F raised in his complaint was in the sentence I've underlined. AA's final response included the following answer:

"Regarding making a claim as your repairs are less than your excess, we would be unable to process a claim as the excess is the first part of the claim that is paid however, as you have the MLA add on with your policy you can utilise this and if they take on your claim can recover losses such as the vehicle damage in this case."

I consider that this answer could've been clearer.

Nonetheless, I consider that AA did enough to explain that it wouldn't meet the claim because the repair cost was less than the excess. AA went further by suggesting a possible claim under the MLA.

I accept that – prompted by Mr F's contact on 14 August 2023 - AA sent the final response to Mr F on or shortly after 16 August 2023. I also accept that Mr F didn't receive it at that time. However, as there may have been difficulties with delivery, I don't hold AA responsible for that.

By the summer of June 2023, the cyclist's claim was already several months old. I can understand that Mr F wanted to know what was happening and what was likely to happen.

However, I don't conclude that AA had fallen below a reasonable standard of service in the circumstances. So I don't find it fair and reasonable to direct AA to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct AA Underwriting Insurance Company Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 18 March 2024.

Christopher Gilbert

Ombudsman