

The complaint

Mr K complained that Automobile Association Insurance Services Limited (“AA”) didn’t renew his motor insurance policy.

What happened

Mr K said that he called AA to renew his motor insurance policy (the insurance policy) but instead AA renewed his breakdown cover policy (the breakdown policy). His motor insurance policy then expired, but he didn’t realise that until he received letters from the Motor Insurance Database (MID) saying that he was not insured. He was unhappy as he felt that AA had put him in the position of driving without insurance for several months. He wanted AA to acknowledge the situation, compensate him for the distress and anxiety he felt at having been driving uninsured for those months, and for them to add another product such as key loss cover or EU travel to his policy to show goodwill.

AA said as follows. They’d acted correctly on his instructions. They’d had no reason to think during the renewal call with that Mr K he didn’t realise that he was renewing his breakdown policy and not his insurance policy. They sent him the breakdown policy confirmation of cover letter afterwards and he didn’t query that. And separately they sent him the renewal letter and reminder about his insurance policy before it expired, followed by a letter informing him it had expired, and he was no longer insured. They said they’d been transparent and that the breakdown policy and the insurance policy were two different products, and they hadn’t done anything to mislead or misinform Mr K.

The investigator didn’t uphold the complaint because she thought they had treated Mr K fairly and had followed the correct process. Mr K didn’t agree and so the complaint was 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.

Mr K said he’d called AA to renew his motor insurance policy on 21 May but AA renewed his breakdown policy instead. He said they had sold him the wrong product and he’d found it traumatic that he could have been found driving without insurance, which was a criminal offence. He felt that AA had been unsympathetic. He thought that AA’s agent should have been trained to ensure the right product was being sold. He said he expected some assistance with his renewal, didn’t understand the jargon AA used in correspondence and felt that their terms were misleading.

I’ve listened to a recording of the call of 21 May. Mr K said at the start that he was “*calling to discuss my membership for renewal*” and he referred to a special offer that AA had made him. That offer was about a price freeze on his breakdown policy renewal. Mr K was calling the breakdown renewal department. So I don’t think it was reasonable for AA to suspect that he didn’t mean to renew his breakdown policy. And during the call AA described to Mr K the cover he already had, which was vehicle-based recovery, roadside, at home, national

recovery, and onward travel. All of these are features of breakdown policy. AA's agent asked him if he was happy with the cover he had, and Mr K agreed. Even if Mr K thought he was renewing his insurance policy, he didn't say anything to alert AA to that, or make them doubt that. The agent didn't make any reference to the insurance policy, so I don't think he did anything to mislead or misinform Mr K. I think AA fair and reasonably understood Mr K to mean that he was renewing his breakdown policy and AA didn't do anything wrong in the call.

On the same day, AA issued him a letter confirming that he had been in touch with them about his breakdown cover, and he should read it and make sure he was happy with everything. This was clearly not about his insurance policy. If Mr K was confused at that point he could have contacted AA.

Mr K has sent us a copy of AA's letter of April 2022 saying that his breakdown cover was due to auto renew on 14 June 2022. The 14 June was also the date on which his insurance policy was due for renewal. It may be that this confused Mr K, but overall I think it's clear, from AA's correspondence I've seen, what policy it related to and their policies were different products. The policy documents are clear and not misleading .

Further, AA have showed us that they sent Mr K a renewal notice for his insurance policy on 16 May and a reminder by email on 9 June saying that it would expire on 14 June. They then informed him on 15 June that it had expired. Mr K says he didn't receive their communications, but AA have shown us copies of them and they're correctly addressed. So I'm satisfied AA did what they had to, to inform Mr K that the insurance policy would end if he didn't contact them. If Mr K didn't receive their communications, that's not due to any mistake on AA's part.

I can see that Mr K was unsettled and distressed by the thought that he was committing an offence. And I think that it was unfortunate that Mr K thought he was renewing his insurance when he wasn't, but I don't think AA are responsible for that. And as I don't think that AA have acted unreasonably or done anything wrong, I don't require them to do anything else.

My final decision

For the reasons given above, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 20 September 2023.



Rosslyn Scott
Ombudsman