

## **The complaint**

Mr M complains about the service provided by Automobile Association Insurance Services Limited when he tried to make a change to his motor insurance policy.

## **What happened**

Mr M bought the policy online in December 2019 and it was administered by AA. He called AA on 21 January 2020 as his previous car had broken down and he needed to insure the one he'd just bought immediately. The advisor took the registration details from Mr M but said the system (which was linked to the DVLA) wasn't bringing up any record of the car. He provided further details of the car to her and the advisor entered them into the system.

The advisor then told Mr M that his current insurer wasn't offering to cover the new car. She said she could ask it for a reason, but that it would take at least 24 hours to get a response. She also offered to look for another quote from an insurer on AA's panel. The cheapest one was £1,500. As Mr M's current policy cost around £400 for a similar car, he decided to cancel the policy and look elsewhere for cover. Mr M said he had no problem getting it, and for a reasonable price. But he was charged over £90 for the cancellation, plus £12 for cancelling his direct debit payment, and he didn't think AA dealt with his complaint properly.

One of our investigators reviewed Mr M's complaint. She didn't think it was AA's fault that his car's details didn't come up on the system, or that his insurer didn't quote for the new car. She thought AA tried to be helpful in looking for another quote, but it had no control over the sum other insurers on its panel quoted for cover. She noted that part of the charge made by AA was for time on cover with the insurer. She thought that sum, and the cancellation charges, were fair. And she said AA had written-off the direct debit charge of £12.

Mr M said he'd been penalised, although he'd done nothing wrong. And he said AA's system should have worked better, as that had caused the problem.

As there was no agreement, the complaint was passed to me for review.

## **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 doesn't know why its system didn't bring up the relevant details of Mr M's new car when the registration was entered. It thinks there may have been a problem with the DVLA's system at that point. It's also possible that the difference between the year of the car's manufacture and the year it was registered with the DVLA caused a problem. I think that seems less likely, if other insurers didn't have the same problem. But the advisor was able to complete the task manually anyway, which allowed her to get quotes for the new car.

It must have been very frustrating for Mr M to have to provide all the car's details, when he didn't expect to have to do that. But in my opinion, there's no way of showing that AA's system was at fault. AA says it checked that there wasn't a system problem. Had there been

one, it's bound to have affected other consumers at the time, so it would have been apparent. I think AA would have attended to any problem with the system as a matter of urgency, as any 'glitch' may well have led to a loss of business. But In any event, I don't think it was having to enter the car's details manually that caused the other problems.

In my opinion, the major issue was that Mr M's insurer didn't want to quote for the new car. That isn't something AA can be held responsible for. The advisor offered to refer the matter to the insurer to see if it would give a reason, but as Mr M needed insurance straight away, I can see why he couldn't wait at least 24 hours for that to happen. All the advisor could do at that point was to check if other insurers on the panel would quote. I don't think AA is to blame for the fact that the cheapest available quote from another insurer was so expensive.

I can see why Mr M felt he had no option but to cancel the policy and look elsewhere for cover, but I don't think that was AA's fault. I think what caused it was the refusal of his current insurer to cover the new car and the absence of a competitive quote from another insurer on AA's panel.

Once Mr M decided to cancel, AA had to charge for the time on cover Mr M hadn't yet paid for - plus the standard cancellation fees. The insurer had provided cover for 42 days, but as Mr M was paying in instalments, he'd only paid a £36.82 deposit. AA has provided a breakdown of the charges it made, which are in line with those set out in the documents provided online before the policy was bought. We don't think it's unfair to charge an arrangement fee or to make a reasonable cancellation charge, as there's work involved in administering a policy and also in cancelling it. As Mr M cancelled his direct debit payments, AA was entitled to charge a £12 fee - and to waive it at its discretion.

I don't think Mr M can show that AA acted unreasonably. It accepted that one of its advisors didn't manage his expectations when he called to make a complaint. It said feedback had been provided to that advisor. I think that was a reasonable way to deal with the issue. I think AA's service in other respects was of an appropriate standard. I can see why Mr M thinks AA provided poor service, as he did nothing wrong, yet he still lost out financially and was inconvenienced. But had his insurer quoted to cover the new car, for a reasonable sum, I don't think this complaint would have arisen.

As I don't think there's evidence that AA did anything wrong, I can't uphold Mr M's complaint.

### **My final decision**

My final decision is that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I must ask Mr M to accept or reject my decision before 8 April 2021.

Susan Ewins  
**Ombudsman**