

The complaint

Mr B complains AA Underwriting Insurance Company Limited (AA Underwriting) failed to provide him with the use of a courtesy car after he made a claim on his motor insurance policy.

There are several parties and representatives of AA Underwriting involved throughout the complaint but for the purposes of this complaint I'm only going to refer to AA Underwriting.

What happened

Mr B had an accident in his car. The car was brought back to his home address by his roadside recovery provider.

Mr B made a claim on his motor insurance policy with AA Underwriting on 6 February 2022.

AA Underwriting organised for its approved engineers to look at the car to determine if it would be repairable. Or if it was to be written off as a total loss.

Mr B requested a courtesy car to be provided. AA Underwriting declined this and said as per the terms and conditions of his policy a courtesy car was only provided during repairs, and it was still considering if the car would be repaired or written off as a total loss.

The car was seen by AA Underwriting's approved engineers and deemed a total loss on 15 February 2022. AA Underwriting informed Mr B of its decision and made a settlement offer on 15 March 2022. It apologised for the delay in the settlement and paid him £50 for the poor service received.

As Mr B was not happy with AA Underwriting, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said although Mr B would never have been entitled to a courtesy car, the £50 compensation paid to him did not reflect the inconvenience caused by the delays. They suggested a further £200 compensation should be offered.

As Mr B is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

Courtesy car

I looked at the terms and conditions of Mr B's policy. On page 5 it says;
"Additional benefit – Courtesy car

An AAUICL Comprehensive Car Insurance policy means that following an accident. You will be provided with use of a standard courtesy car while Your Insured Car is undergoing repair, subject to the repair being carried out by Your Insurer's approved repairer. A courtesy car is not available in respect of total loss claims or where the vehicle is stolen and unrecovered, or for accidents occurring outside the UK."

As Mr B's car was classed as a total loss claim I agree that a courtesy car was not due to be provided in this case. Therefore I do not uphold this part of Mr B's complaint.

Delays

Mr B made the claim to AA Underwriting on 6 February 2022 and did not receive the outcome decision that the car had been classed as a total loss and given the settlement offer until 15 March 2022.

I have looked into what happened during this period of time.

The car was seen by AA Underwriting's engineers to determine if it was repairable and they confirmed it was not possible. The information from the approved engineers was returned to AA Underwriting on 15 February 2022.

AA Underwriting said Mr B should have received an outcome and settlement offer from its settlement team within a time scale of three to five working days after it had received the report from its engineers on 15 February 2022. But it did not confirm to him that his car was a total loss until 15 March 2022.

I saw that Mr B made a number of attempts to progress his claim with AA Underwriting via emails and phone calls.

AA Underwriting said there had been a delay which it considered excessive. It said there had been a surge in claims. And it also acknowledged a lack of proactivity and communication with its supplier. This had caused the delays to informing Mr B of its decision that the car was a total loss and settling his claim.

I have considered if the £50 compensation paid is fair. The decision and settlement offer took AA Underwriting approximately three weeks longer than it said it should take. And until it informed Mr B of its decision he was without a car and did not know if it would be repaired or not. I do not think the £50 paid is reflective of the inconvenience caused to him by the delay.

Therefore, I uphold Mr B's complaint and require AA Underwriting to pay a further £200 in compensation to him for the delays caused.

My final decision

For the reasons I have given I uphold this complaint.

I require AA Underwriting Insurance Company Limited to pay Mr B a further £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 November 2022.

Sally-Ann Harding

Ombudsman