

The complaint

Mrs D complains about the charges raised by AA Underwriting Insurance Company Limited (AA) and how a claim she made was recorded under her motor insurance policy.

What happened

In October 2021 a dog cage lifted by strong winds from a neighbour's property, was blown into Mrs D's car. It caused damage to the passenger side wing as well as the bonnet and windscreen wipers.

Mrs D made a claim to AA. It instructed a repairer. Unfortunately, the repairer rejected the work. Because of the delay this caused, AA provided a hire vehicle whilst another repairer was appointed. It says the policy only provides a replacement car when repairs are underway – but in these circumstances it decided to arrange a hire vehicle.

Due to an error AA didn't process a request for another repairer until 4 November 2021. It obtained an estimate for the repairs a week later and contacted Mrs D.

Mrs D's neighbour spoke to her and offered to pay for the repairs. Because of this, as well as the delays and poor communication in AA's handling, she decided to withdraw her claim.

AA told Mrs D she would need to pay for the hire car costs or this incident would be recorded as a fault claim against her. It advised her that if she paid the claim it would be changed to non-fault. Mrs D complained to AA, but it maintained its decision, so she referred her complaint to our service. AA subsequently offered to waive the hire car fees, change how the claim was recorded to show as non-fault and offered £300 compensation for the inconvenience and distress it caused.

Our investigator upheld Mrs D's complaint but thought the offer AA had made was fair, so he didn't ask it to do anymore.

Mrs D asked for £500 compensation. She also didn't think there should be any claim recorded against her. And says that when the car was recovered the operator had to ask what the damage was – as AA hadn't informed it. Our investigator didn't change his view.

Because of this Mrs D asked for an ombudsman to review her complaint.

It has been passed to me to decide.

I issued a provisional decision in November 2022 explaining that I was intending to uphold Mrs D's complaint. Here's what I said:

provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

My remit here is to consider whether AA handled Mrs D's claim reasonably, and if its records fairly reflect what happened. Having considered the evidence, I don't think it treated Mrs D fairly on either of these points. Let me explain.

AA accepted Mrs D's claim for the damage caused to her car, but there was a delay in appointing a repairer. This is because the first garage it appointed rejected the work. According to AA's record's human error was to blame for the delay in appointing a new repairer. This delayed progression of the claim by about a week.

I can see from the notes that Mrs D had to prompt AA for updates. I also note her comments that when her car was collected the repairer had to ask for clarification of what repairs were needed. I take her point that communication appears to have been lacking between AA and its appointed repairer. I can see that AA acknowledges this point in the offer it made after the complaint was referred to our service.

In its initial response to Mrs D's complaint AA says a hire car shouldn't have been offered, as her car was driveable. Mrs D disputes this as she says the windscreen wipers were damaged, and it's illegal to drive a car in this condition.

I've looked online at the government guidance about windscreen wipers. This says:

"Every vehicle fitted with a windscreen must have one or more efficient automatic windscreen wipers, unless the driver can obtain an adequate view of the road to the front without looking through the windscreen."

From Mrs D's testimony her car didn't meet this requirement because of the damage caused to her windscreen wipers. I haven't seen evidence to show this wasn't the case. Mrs D also points out that effective windscreen wipers are a requirement to pass an MOT test. From looking at the government website online, I can see that this is accurate. So, I don't think AA was correct to suggest Mrs D's car was driveable.

In its offer of resolution AA says it will pay £300 compensation for the inconvenience and distress this matter has caused Mrs D. I've thought about the impact the delays and poor claim handling had on her. I've also listened to the call recordings provided. I didn't identify inappropriate or rude behaviour on AA's call handler's part. But it's clear this was a distressing experience for Mrs D, given the poor standard of communication and delays she experienced, in addition to the inaccurate information provided. Because of this I think compensation is appropriate. But I'm satisfied £300 is fair in the circumstances described.

I've also thought about Mrs D's view that no claim should be recorded against her in relation to this matter. Having considered this point, I don't think it's correct for the claim to be recorded as non-fault in these circumstances. A claim was made, but this was withdrawn by Mrs D. I don't think it's reasonable for any costs to be associated to the claim, as the reason it was withdrawn is due to AA's poor handling. I note AA confirms in its offer that no costs will show against the claim, which I think is fair. But I think it should also confirm that the claim is recorded as closed having been withdrawn.

In summary I don't think AA treated Mrs D fairly in its handling of her claim. Because of the delays and poor communication, it should provide compensation. But I think the £300 it offered is fair. I don't think it recorded the claim correctly, and it should amend this to show the claim was withdrawn with no associated costs.

I said I was intending to uphold this complaint and AA Underwriting Insurance Company Limited should:

- pay Mrs D £300 compensation if it hasn't already; and
- confirm the claim is recorded as withdrawn with no associated costs.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

AA didn't respond with any further comments or information for me to consider.

Mrs D responded to say AA provided a courtesy car, not because of a delay in appointing a repairer but because its policy terms say a courtesy car is provided if the insured vehicle is not roadworthy. She also asks whether a withdrawn claim showing no claim costs will have an impact on future premiums. Mrs D says her premiums have increased and asks if this will be refunded once she has spoken to her insurance provider.

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.

I acknowledge Mrs D's comments regarding the courtesy car and the reason this was provided. I don't dispute what she says, but I don't think this warrants a change to my decision.

Insurers calculate premiums differently. But generally speaking, all insurers will want to consider any claims and/or incidents involving the insured vehicle. Even if there is no cost incurred this may still form part of the risk assessment.

In the circumstances described here I think it's fair that AA records the claim as withdrawn with no associated costs. This accurately reflects the situation. Mrs D can discuss this point with her current insurer in order for it to provide any refunds owing. But I don't think AA is responsible for any impact on Mrs D's future insurance premiums once it has amended its recording of this claim.

Having considered these points I'm satisfied that the resolution set out in my provisional decision is fair. I'm not persuaded that I need to make a change..

My final decision

For the reasons I've explained above, and in my provisional decision, I uphold Mrs D's complaint. AA Underwriting Insurance Company Limited should:

- pay Mrs D £300 compensation if it hasn't already; and
- confirm the claim is recorded as withdrawn with no associated costs

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 19 January 2023.

Mike Waldron
Ombudsman