

## **The complaint**

Miss B is unhappy with how AA Underwriting Insurance Company Limited (AA) dealt with a claim she made under her motor insurance policy.

AA appointed agents to act on its behalf. AA accepts responsibility for these. And any reference to AA also includes these agents.

## **What happened**

Miss B has explained that her car was involved in an accident – and therefore damaged. So, she needed to make a claim under her motor insurance policy, with AA being her insurer.

Miss B contacted AA, who accepted the claim, and confirmed they would repair Miss B's car. However, Miss B said the time taken to repair her car, through AA's nominated repairer was unreasonable. Miss B said AA's nominated repairer received her car on 27 October 2021.

And it wasn't until around eight months later, on 14 June 2022, that the repair to her car was completed, and she could collect the vehicle.

During this time, Miss B has said AA didn't keep her updated as to the progress of her claim and didn't manage her expectations in relation to the repairs.

Miss B raised her concerns as a formal complaint in early 2022. AA provided a final response to Miss B's complaint in March 2022. In this AA apologised for the delay in Miss B's car being repaired. But it said it was doing everything it could to progress the matter. AA said it couldn't identify any failings. It said that there was a nationwide shortage of parts, and that staff sickness where this had occurred was unavoidable. AA however apologised for long wait time Miss B had experienced when she was on the phone.

In addition to the above, in its final response letter AA said it was satisfied it had supplied Miss B with a courtesy car, as per the terms and conditions of her policy.

Following this, AA has noted it continued to progress Miss B's claim.

As Miss B remained dissatisfied with AA's position on the matter, she referred her complaint to this service for an independent review. This service's review included considering the whole of Miss B's claim, from October 2021 when the claim was raised, until June 2022, when Miss B's car was collected. This meant the investigation included the period between March 2022 and June 2022, after AA's final response letter. AA agrees to this.

Our investigator considered this complaint and felt it should be upheld. They felt AA should pay £400 compensation to Miss B. Our investigator said this was because AA received Miss B's car to repair in October 2021 but couldn't see any repairs commenced until March 2022. Our investigator thought £400 compensation was fair and reasonable for the distress and inconvenience this delay caused to Miss B.

Miss B agreed with our investigator's findings. But AA didn't. It said that between January 2022 and March 2022 Miss B's car was undergoing repairs. It said Miss B's car wasn't roadworthy. But they kept her mobile, by providing a courtesy car, in line with the terms and conditions of Miss B's policy.

AA said it wasn't in control of the timescales for a repair – and if a vehicle repair requires that length of time then there isn't anything it could do to influence this. AA said delays are a regular thing, and issues such as motor parts availability has been a global issue. So, AA didn't think it should be penalised for this – when the situation was outside of its control.

Because AA didn't agree with our investigator's outcome, this complaint has been referred to me to decide.

I issued a provisional decision on this complaint. In this I said:

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

*Having done so, I've decided to uphold this complaint, but am intending on requiring AA to pay Miss B £200 compensation, rather than £400. I've explained why below.*

*When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly. So, I've thought about whether AA acted in line with these requirements, when it dealt with Miss B's claim.*

*It's important to note that I can see Miss B's car went in for repair on 27 October 2022. And repairs weren't concluded until June 2022 – with Miss B being able to collect the car on 14 June 2022. I acknowledge that this was a long time for Miss B's car to be in the garage being repaired. And I can appreciate the frustration this would have caused. But what I have to consider when deciding this case is whether this timeframe was avoidable, or not. And I'd only hold AA accountable for periods of time where it could have done something differently to move the claim forward.*

*To decide this, I've reviewed all reports, emails and documentation provided to me, to understand what happened during this claim, and when. Having done so, I'm satisfied that the claim was largely progressed as efficiently as possible.*

*I can see that following Miss B's car going into the garage, a report on the damage was completed. The report detailed a large number of parts that were needed to return the car back to pre-incident condition. This report was provided to AA, who were quick to authorise the repairs.*

*Following this, AA ordered the necessary car parts, as I would have expected it to. I'm aware it took some time for parts to arrive with AA. AA has explained there is a global shortage of car parts. And this impacted the time it took for parts to arrive. I don't hold AA accountable for this – it had ordered the parts, and wasn't able to do anything further until these came in. It appears parts were delivered to AA in December 2022. So, I don't find AA acted unfairly at this stage. This wasn't anything that could be done, until the parts arrived.*

*I'm also satisfied that AA progressed Miss B's claim efficiently, between February 2022 and June 2022. It completed some repairs on Miss B's car. In February 2022, when completing repairs, it was discovered a subframe was needed. This was authorised and ordered. And once the mechanical work was complete, panel repairs were conducted. I understand that the estimated completion date for the work changed on a number of occasions. But I can't*

see that was because of inefficient work by AA. But instead because of the need to obtain parts.

During this time, I can see from copies of email correspondence that Miss B and AA were in regular contact as to what was happening. I understand that the estimated completion date for the work changed on a number of occasions. But I can't see that was because of inefficient work by AA. So, I don't think AA did anything wrong here either.

I do however think there was some avoidable delays on the claim, during December 2021 when parts came into the garage, and the end of January 2022. And I think AA could have better communicated with Miss B during this time, to let her know what was happening.

I can see that parts arrived at the garage on 1 December 2021. But I can't see any real action began to fix Miss B's car, until late January 2022. So, there was around two months where no real progress was made with the claim.

AA said this was in part because of low staff numbers. And I can see that on 12 January 2022 Miss B was told there were issues with starting repairs because Miss B's car needed to go on a specific ramp for work to be carried out, but it couldn't, because another car was on the ramp, which couldn't be moved, until the parts for that vehicle had come in.

Nothing further seems to have happened in respect of this, until around 26 January 2022, when Miss B is told her car would be sent to another service centre, as it hadn't been possible to get it on the ramp yet.

I think that when AA realised it was low on staff and didn't have the facilities to start fixing Miss B's car (access to the ramp), it could have acted to move the claim more efficiently. I think it could have recognised the need to move the matter forward immediately, given the length of time Miss B had been without her car – including by sending the car elsewhere earlier. I also think it could have been more proactive in updating Miss B and providing her with alternative options so that some repairs could have been conducted earlier.

So, I've thought about what would be fair and reasonable in the circumstances, to recognise the impact the above avoidable delays above caused to Miss B. And having done so, I think £200 is a more fair and reasonable compensation figure. I say this because I think it fairly recognises the impact that around two months delay in repairing the car had on Miss B, this being the frustration of nothing happening, and the inconvenience in needing to chase the matter. So, I intend on requiring AA to pay this to Miss B.

I'm also satisfied this is a more reasonable compensation figure than the £400 our investigator recommended – because there was some action to progress the claim between October 2021 and March 2022, with the only avoidable delays being those I mentioned above.

I can see Miss B also raised concerns about the courtesy car she was provided with. So, I've considered this element of the complaint too.

On looking at Miss B's policy documents, I can see the following is noted in relation to a courtesy car:

“Additional benefit – Courtesy car

....

In the event you need to make a claim on your policy your AA motor insurer may instruct an insurer-approved repairer to carry out the repairs. In most cases, if they do instruct repairs to

*start, a standard courtesy car will be supplied during the period of repairs. A standard courtesy car is a category 'A' vehicle, normally a small 3 door, 1 litre hatchback car.'*

*It's my understanding that Miss B was provided with a courtesy car, in line with the above. I do appreciate Miss B has raised that the courtesy car was a manual, rather than automatic vehicle. But the above terms don't state the courtesy car would be an automatic. Given that AA acted in line with the policy terms by giving Miss B the car it did, for the duration of the repairs, I don't find it did anything wrong. And I don't intend on making an award in this respect."*

Both parties responded to my provisional decision and accepted it.

### **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.

Having done so, I've decided to uphold this complaint, and require AA to pay Miss B £200 compensation.

There hasn't been any further comments or evidence from either party, to alter my findings on this complaint, or the reasoning for it. And so, my decision remains the same as that in my provisional decision, and for the same reasons.

### **My final decision**

Given the above, my final decision is that I uphold this complaint, and require AA Underwriting Insurance Company Limited (AA) to pay Miss B £200 compensation. I don't require it to do anything more than this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 2 June 2023.

Rachel Woods  
**Ombudsman**