

The complaint

Mrs B complains about how AA Underwriting Insurance Company Limited (AAUICL) dealt with a claim on her after the event insurance policy following a non-fault accident in her car.

What happened

Mrs B was involved in an accident in her car. Instead of claiming on her car insurance policy she was referred to a “non-fault” accident management company (AMC). At the same time she was provided with an After the Event (ATE) insurance policy with AAUICL. The ATE policy covered Mrs B for the recovery of her car, repairs to her car, storage for her car and the cost to hire a replacement car while hers is repaired.

AAUICL tried to arrange a hire car for Mrs B to use while hers was repaired. Unfortunately, there were difficulties in sourcing a suitable hire car and so it took a few weeks for one to be provided. When one was provided Mrs B said the car wasn’t clean, was damaged and there were stains on the seats. She therefore let AAUICL know the car wasn’t in an acceptable condition. Mrs B also asked for a car with a larger boot as she said the car provided wasn’t big enough.

The issues with sorting a suitable hire replacement hire car went on for several weeks and meant Mrs B’s car wasn’t booked in for repair. Mrs B then made two complaints as she was unhappy with how long AAUICL was taking to sort the repairs to her car and with the issues with the hire car.

AAUICL reviewed the complaints and issued two final responses. It agreed there had been delays in providing the hire car and acknowledged there was pre-existing damage to it. It said all cars were cleaned but not all strains could be removed. AAUICL also said due to the high demand it hadn’t been able to repair the damage to the hire car before it was provided but said it had provided a similar car to Mrs B’s, as required under the policy. However, AAUICL did apologise for the handling of the claim and for the calls Mrs B had. Unhappy with the response, Mrs B referred her complaint here. She said AAUICL had been rude and hung up the phone on her. She also said the hire car hadn’t been clean and didn’t think AAUICL had handled her claim well enough.

Our investigator reviewed the complaint and upheld it. He found that AAUICL couldn’t provide a copy of the call where Mrs B said AAUICL had hung up on her. However, he agreed other calls with AAUICL had become unproductive and that they hadn’t been handled as well as they could have. Our investigator acknowledged Mrs B’s concerns with the condition of the hire car she’d been provided, and the delays in getting her car repaired. He recommended AAUICL pay Mrs B £200 for the distress and inconvenience caused by its poor claim handling.

Mrs B didn’t agree with our investigator and so the complaint has come 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.

The terms and conditions of the policy say AAUICL will repair Mrs B's car and provide her with a like for like hire car while it's repaired. I've therefore looked to see if AAUICL has done so in a fair and reasonable way.

It's not in dispute there were delays in providing the hire car, and therefore delays in getting Mrs B's car in for repair. AAUICL has also acknowledged there were issues in the calls it had with Mrs B and the condition of the car and has apologised. However, I'm not satisfied this goes far enough.

Mrs B has raised concerns about the condition of the hire car provided. I can see AAUICL has tried to source a replacement car but has had difficulties in doing so. This has also caused delays of around two months in getting Mrs B's car repaired. It's also disappointing that AAUICL hasn't been able to provide the call Mrs B has specifically referred to. It said this is down to an IT issue. From the calls AAUICL has provided it's clear AAUICL was trying to help Mrs B, however, understandably Mrs B wasn't satisfied with how long things were taking.

I've therefore looked at how best to put things right. AAUICL didn't handle this claim promptly and the service provided wasn't good enough, particularly around the calls and the delays. I'm therefore persuaded the AAUICL should pay Mrs B £200 for the unnecessary distress and inconvenience caused by its poor claim handling.

This is because Mrs B wasn't provided with a satisfactory like for like replacement, she's had to make numerous calls to AAUICL and the calls became unproductive and were not handled as well as they could have. This has resulted in around a two month delay for Mrs B in getting her car repaired and, when taking everything into account, I'm satisfied £200 is fair reasonable compensation for this. AAUICL needs to pay this to Mrs B if not already done so.

My final decision

For the reasons explained above, my final decision is that I uphold this complaint. I require AA Underwriting Insurance Company Limited to pay Mrs B £200 for distress and inconvenience.

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

Alex Newman
Ombudsman