

The complaint

Ms V complains AA Underwriting Insurance Company Limited (AA) failed to repair all damage relating to a claim under a motor insurance policy.

What happened

A third-party reversed into the front of Ms V's car in February 2023. The bumper and grille suffered damage, and Ms V says warning lights on the dashboard came on. She raised a claim which AA accepted. AA only authorised bodywork repairs as they say the low impact of the incident wouldn't have caused dashboard warning lights to come on.

Ms V told AA she wasn't happy with this. She says her car was roadworthy before the incident, and it was returned to her unroadworthy.

AA appointed an independent engineer to assess the repairs. AA declined to accept responsibility for resolving the dashboard warning lights based on their findings.

Ms V took her car to a main dealer to establish when the warning lights first presented. This was found to be during the time the car was with AA's repairer. Ms V said this information wasn't helpful as the warning lights were present prior to it going to the repairer. The car was later repaired by the main dealer at no cost to Ms V, but she complained to AA about the level of service provided. She says AA's refusal to assist with resolving the warning lights meant she had to borrow a car to get around, rely on lifts, and her partner missed work.

AA responded to the complaint maintaining their position not to assist Ms V with the warning lights. As Ms V was unhappy with their response, she approached our Service for an impartial review.

The Investigator recommended the complaint be upheld. She recommended AA paid Ms V £150 compensation as she thought it was more likely than not the warning lights resulted from the incident. And AA could have handled matters better here. AA didn't agree and maintained the low impact of the incident didn't cause the warning lights problem.

As the complaint couldn't be resolved, it was passed 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.

A question I must answer is whether I'm satisfied AA acted fairly and reasonably when declining to assist Ms V with resolving the dashboard warning lights.

The impact of the incident was minor. Therefore, AA says these warning lights couldn't have been claim-related. All parties accept the warning lights were present prior to the repairer receiving the car. So, the warning lights were either present prior to the incident, or came on as a result of the incident.

I'm not persuaded the warning lights were pre-existing. I say this because an MOT took place at the end of October 2022 which passed without advisories. Then, a few months later, Ms V's car was involved in an incident with a third-party. Following this, an independent engineer AA appointed to inspect the car said it was unroadworthy as the damage deemed it non-compliant with MOT regulations. They also commented on the pre-incident condition of the car and concluded it was in good condition without any pre-incident damage noted.

So, it's my view the evidence supports Ms V's car was roadworthy following the October 2022 MOT, likely until a third-party collided with it (albeit at low speed) in February 2023, before it was deemed unroadworthy.

AA relied in part on the independent engineer's report when not offering to assist Ms V. That's because the engineer didn't conclude the warning lights were present due to the incident, or that AA should rectify the problem. But the engineer outlined issues with the cooling fans, parking sensors, and an engine management light – all issues Ms V says prompted a dashboard warning light to come on post-incident.

The independent engineer also commented on the main dealer's findings. They said the main dealer informed Ms V not to drive the car, but also the bumper needed to be removed as they didn't think the front sensors had been connected. The bumper in question was the bumper impacted by the third-party.

The main dealer eventually carried out repairs after AA declined to assist Ms V. Ms V says these repairs included repairing a pinched sensor as this caused a malfunction and the cooling fans to stay on. Fault codes were cleared, and Ms V also says a leak was found on the screen wash behind the bumper that was also repaired.

Ms V didn't pay for repairs, so she didn't suffer a financial loss in this respect. However, I think it's fair to say she had the hassle of needing to communicate with different parties, arrange an inspection and further repairs. I think AA could have done more here to assist Ms V with resolving the warning light issues.

It seems AA would not accept responsibility to assist Ms V with resolving the issues due to the low impact of the collision. But it's my view the evidence here supports these problems were more likely than not, at least in part, the result of the incident. As mentioned above, the car had passed an MOT only a few months prior to the February 2023 incident. And I'm not satisfied the independent report AA provided gives strong supporting evidence to show the issues were pre-existing.

So, I find it would have been fair and reasonable for AA to have done more to assist Ms V here. Their failure to do so caused Ms V hassle, distress, and inconvenience when having to borrow cars, rely on lifts, and organise further repairs. I also note Ms V says her partner had missed work due to not having the car available to drive.

I appreciate much of the worry Ms V experienced was the concern over how much further repairs would cost her during that period. And while she didn't suffer a financial loss in respect of repairs, I think some compensation is due for the worry, hassle, and

inconvenience caused to her when AA – in my view – unfairly and unreasonably declined to assist her with the dashboard warning lights. I've also taken account of Ms V's comments that her partner missed some days work while without a car, but our Service does not award compensation based on someone's hourly or daily rate of pay.

All things considered – I find £150 compensation fairly reflects the impact AA's level of service had on Ms V. I'm satisfied this amount is fair, reasonable, and proportionate in the circumstances of this complaint. So, I'll be directing AA to pay this amount to Ms V.

Putting things right

As set out above, it's my view AA ought to have handled matters better at times – and with a higher level of customer service. So, they must now pay Ms V £150 compensation for the distress and inconvenience caused.

My final decision

For the reasons I've mentioned above, my final decision is I uphold the complaint. I now required AA Underwriting Insurance Company Limited to pay Ms V £150 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms V to accept or reject my decision before 19 December 2023.

Liam Hickey
Ombudsman