

The complaint

Mr W complains about Automobile Association Insurance Services Limited (“AAIS”) and their failure to inform him that his policy had been activated to provide him with cover if his car broke down.

What happened

The circumstances of the claim and complaint are well known to both parties. So, I won’t be listing the events in chronological detail. But to summarise, in August 2022 Mr W called AAIS to activate a complimentary breakdown cover insurance policy.

But Mr W didn’t feel AAIS had provided him with confirmation that this cover had been activated on this call, or in writing afterwards. So, he emailed AAIS seeking this confirmation on several occasions with no reply. Mr W was unhappy about this, so he raised a complaint about it, explaining why he felt he should be compensated.

AAIS responded to the complaint and upheld it. They explained that, as the cover was complimentary, they didn’t provide written confirmation to customers. But they did accept they failed to respond to Mr W’s chaser emails requesting confirmation that the policy had been activated on several occasions and so, they paid Mr W £100 to recognise the distress and inconvenience this caused. Mr W didn’t think this amount was enough, explaining why he felt a payment of £400 was more appropriate. AAIS didn’t agree to increase their offer and so, Mr W referred his complaint to us.

Our investigator looked into the complaint and didn’t uphold it. They thought it was accepted that AAIS failed to respond to Mr W’s communication as they should’ve. And our investigator recognised the anxiety this caused, taking into consideration Mr W’s pre-existing health conditions. But they thought the £100 payment was a fair one, considering Mr W had the option of calling AAIS for immediate confirmation, which he didn’t do. And, that Mr W hadn’t need to utilise the policy during the period he was waiting for confirmation that it had been activated. So, they didn’t think AAIS needed to do anything more. Mr W remained unhappy with this response and so, the complaint has been passed to me for a decision.

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’m not upholding the complaint for broadly the same reasons as the investigator. I’ve focused my comments on what I think is relevant. If I haven’t commented on any specific point, it’s because I don’t believe it’s affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Mr W. I’ve no doubt Mr W was left in a position where he was unsure whether the policy provided by AAIS had been

activated. And I note it's not in dispute that Mr W wanted confirmation of this and so, had to spend time and effort chasing AAIS for confirmation of this, without response. So, I recognise the anxiety and frustration this would have most likely caused. And I do think this must be considered alongside the pre-existing health conditions Mr W was suffering with at the time, and how this may have made his suffering worse.

But for me to say AAIS should do something more than the £100 already paid to Mr W, I'd need to be satisfied this payment failed to appropriately compensate for the impact of their failures. And in this situation, I don't think that's the case. And I'll explain why.

As I've already set out above, it's accepted by AAIS that Mr W didn't receive the confirmation he was seeking regarding the activation of his policy, despite his repeated requests. As this is accepted by AAIS, I don't think the merits of Mr W's complaint is in dispute and so, I won't discuss this in further detail. Instead, my decision focuses on what does remain in dispute, which is what AAIS should do to put things right.

I note Mr W would like the £100 compensatory payment increased to £400. And he's explained his calculation for this amount, with £100 being paid for each chaser email he sent without reply.

But crucially, this isn't how our service considers compensatory payments. We don't place a monetary figure to each piece of correspondence that wasn't responded to as it should've been. Instead, we consider the impact and suffering Mr W was caused, taking into consideration how this would've been made worse by repeated failures of the same kind, alongside other factors such as Mr W's health conditions in this situation.

And having considered the complaint and the impact caused, I think the £100 already paid by AAIS is a fair one, that falls in line with our service's approach and what I would've directed, had it not already been made.

I think it fairly recognises the anxiety and frustration Mr W would've felt not knowing for certain that the policy had been put in place, considering his pre-existing health conditions. And how this was made worse by AAIS not responding to his e-mails seeking this confirmation on several occasions.

But I think it also fairly recognises the fact that, from the evidence provided to me, Mr W's policy was in place from the initial activation call. So, had Mr W needed to utilise the policy, I think he would've been able to do so. But that fortunately, he didn't need to do so. So, I don't think he was placed at any additional risk. And I think it also recognises the fact that while Mr W did send emails with no response, he still had the option of calling AAIS to seek this confirmation instantaneously, which I think Mr W was aware he could do, as he'd spoken to AAIS on the phone to activate the policy in the first instance.

So, because of the above, I do think the £100 payment made by AAIS is a fair one on this occasion and so, I don't think they need to do anything more.

I also want to make it clear that this decision is based on the assumption that Mr W cashed the cheque AAIS sent to him containing the £100 payment. If Mr W didn't do this, and he can evidence this to AAIS, I would expect AAIS to raise another cheque to ensure the £100 offer they put forward is paid.

My final decision

For the reasons outlined above, I don't uphold Mr W's complaint about Automobile Association Insurance Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 6 March 2024.

Josh Haskey
Ombudsman