

## **The complaint**

Mrs A complains about the Automobile Association Insurance Services Limited (AAISL) who cancelled her motor insurance policy.

## **What happened**

Both parties are aware about the full background of this complaint. So, I don't propose to repeat them here, but I will outline the salient facts.

Mrs A held two policies of motor insurance with AAISL for two separate cars. The first policy held a policy number of GDCAA00175316 (GDC), and the second with a policy number of AAP0342516 (AAP). Mrs A explained she received a letter that talked about no claims discount on policy GDC, having previously sent in proof on no claims discount. The letter gave Mrs A seven days to respond.

On 14 March 2023, she called AAISL and told the advisor she wished to cancel policy GDC. She said she emphasised she didn't want policy AAP cancelled and was told it would be continued.

On 7 April 2023, Mrs A had a fault accident, she exchanged her details and notified AAISL over the webchat of the accident. On 2 May 2023, she got a message from the third-party driver alerting Mrs A she wasn't insured. Mrs A contacted AAISL, who confirmed both policies had been cancelled. It said it had written to Mrs A on 8 March explaining, policy AAP would be cancelled as Mrs A had failed to disclose three previous incidents, on policy GDC. It gave her the option of either accepting an alternative quote or cancelling the policy by 15 March 2023. When the time limit had passed and as it hadn't heard from Mrs A, the policy was cancelled. Mrs A was written to confirming the cancellation via email and letter on 21 March 2023.

Mrs A believed AAISL was a disreputable company, as it had still been taking premium payments. And she believed she was still covered. She said she had told AAISL to only cancel policy GDC and wanted a copy of the call recording which showed this. AAISL were unable to locate the recording of the call, due to a system error. So, she raised a complaint.

In its final response, AAISL accepted it was unable to retrieve the call recording but said the correct procedure had been followed before the policy was cancelled.

Mrs A remained unhappy, and referred her complaint to this service, for an independent review.

An Investigator considered the complaint and didn't think it should be upheld. Whilst he appreciated what Mrs A said she told the agent on the call of 14 March 2023 (that she wished to cancel one policy) all the documents he read, indicated the insurance AAISL proposed to cancel, related to AAP and not policy GDC. His view was no alternative policy was set up, no policy documents were issued, and no premium payments were taken. So,

he felt AAISL couldn't reasonably be held responsible, if Mrs A believed her policy would continue as normal.

AAISL accepted the view, Mrs A did not. She reiterated her complaint points and said she wouldn't knowingly drive without insurance. And explained the impact this had on her.

As the matter couldn't be resolved, it 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 don't uphold this complaint, for much the same reasons as the Investigator. I understand this will likely be a disappointment to Mrs A, but I hope my findings go some way in explaining why I've reached this decision.

Firstly, I acknowledge Mrs A has strong views about what happened here and that she felt AAISL had made an error by cancelling both the policies she held with them, when she had expressly given it authority to cancel only one. She also believed she was covered under policy AAP. And explained AAISL ought to reinstate the policy and cover any fines she might've received, as she'd been driving without insurance, without her knowledge.

AAISL said following Mrs A having submitted her proof of no claims discount on policy GDC, it found there were two non-fault incidents and one fault incident which hadn't been disclosed. Because of this, cover could no longer be provided on the same terms for policy AAP. Two options were outlined to Mrs A. Either she cancels the policy, or she accepts cover with a higher premium, from an alternative provider. Mrs A had until 15 March 2023, to contact AAISL and if no contact was made, policy AAP, would be cancelled.

I've read the letter dated 8 March 2023, which was sent via email to Mrs A. Mrs A does not dispute having received this. AAISL outlined the options available to her and I can see the policy clearly quotes the reference number relating to policy AAP. It also provides the reason why cover won't be available, notifies a change in the policy, provides a quote for alternative cover, and invites Mrs A to contact AAISL within seven days or the policy would be cancelled.

Although Mrs A accepts, she received the 8 March email, she explained she believed it related to policy GDC. It's fair to say the email mentions the car registration for policy GDC. However, I think it clearly mentions '*change of your policy*' and gives the correct policy reference of the AAP policy, before explaining why cover could no longer be provided. So, I'm satisfied the communication was sent to Mrs A, she accepts she received it and it related to policy AAP.

Mrs A said she contacted AAISL via phone on 14 March 2023. In this conversation, she said she explained to the agent she wished to cancel policy GDC. She said she was advised policy AAP would continue as normal, so she believed she was covered.

AAISL confirmed there was no recording of the call, due to a system error. So, I've had to rely on the information that has been provided, in deciding what, on balance, is likely to have happened. Whilst I can't say what exactly Mrs A said to the advisor and what the advisor told Mrs A, from the evidence, Mrs A was written to on 8 March 2023 which was sent via email. As I've mentioned this gave details about alternative cover, which Mrs A accepts receipt of.

But what is clear from Mrs A's testimony, is that there was no discussion about the change in the policy terms or increased premiums, as outlined in the email, which prompted the call.

Further, there is no evidence to show an alternative policy was set up on Mrs A's instruction. Nor any evidence of premiums (which would have been for a higher amount) having been taken. Or evidence the policy documents were issued.

I have checked the email and home addresses. And can see the correct email and home address were used. Mrs A hasn't disputed the receipt of these communications. AAISL has provided enough evidence to show it sent the correspondence. Although I appreciate Mrs A was confused, I can't hold AAISL responsible for this and I'm satisfied Mrs A should've realised AAP was going to be cancelled. The cancellation ultimately was confirmed via email and letter dated 21 March 2023.

I've also reviewed the policy terms and conditions under the section which deals with the cancellation of policy. I can see, AAISL followed the correct procedure by notifying Mrs A her policy would be cancelled, giving a reason for the cancellation, refunding pro rata Mrs A's premium payments, and adhering to the time limits in doing so. Accordingly, I don't think AAISL was unfair to rely on the terms and conditions when it cancelled the policy.

I acknowledge Mrs A's strength of feeling about this complaint. But, in the overall circumstances of it, I haven't seen enough evidence to show AAISL acted unfairly or unreasonably by cancelling her insurance. So, I won't be asking AAISL to do anything further here.

### **My final decision**

For the reasons given, I don't uphold Mrs A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 21 May 2024.

Ayisha Savage  
**Ombudsman**