

The complaint

Miss F complains about how AA Underwriting Insurance Company Limited (“AA”) handled a refund and renewal of her car insurance policy following a claim.

What happened

Miss F was involved in an incident in 2022 and made a claim from AA.

She wasn’t happy with its service and wanted to use another insurer at renewal of her policy. But Miss F felt she wasn’t left with the choice to leave AA – she felt that she had to renew with it.

She made complaints about various parts of AA’s service. These have mostly been resolved, and compensation has been paid to her, so I’ll not mention them further here.

The remaining complaint points are that Miss F feels that AA didn’t give her any option but to renew with it, and that it didn’t give her the correct refund she thinks she was due once her claim was settled and her No Claims Discount (NCD) recalculated.

Miss F remained unhappy with AA’s response and approached this service.

Our investigator looked into her complaint and thought it wouldn’t be upheld. He said he thought the refund was right, and that AA had explained things correctly.

Miss F asked that an ombudsman reviewed her complaint, so it’s been passed to me for a final 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.

Miss F has provided a detailed timeline of her complaints about AA’s service and I thank her for her efforts in producing this.

I’ve looked at the two remaining parts of Miss F’s complaint.

Firstly, I’ve looked at the refund due to Miss F following settlement of her claim. I can see her claim was finally settled in her favour making it a ‘non-fault’ incident on her record. As it took some time to be settled, Miss F was due a refund of premium when her NCD was reinstated.

AA has provided evidence about the amount of this premium refund and I think it’s in line with what I’d expect to happen. So I think AA has acted fairly and reasonably.

It may be useful to Miss F if I say that her premium will likely have changed year-on-year due to the fact that a claim had been made. This is irrespective of whether a claim is ‘fault’ or not, and it’s done because insurers base their premiums on a customer’s driving history as well as the claims paid under their own policy. So there’s likely to have been an increase in her

premium regardless of the outcome of the claim. This is in addition to any 'market' factors which may also have changed her premium.

Secondly, I've explored what happened between AA and Miss F at renewal of her policy. I can see there was a conversation between them which seems to have resulted in Miss F's complaint about feeling she had no choice but to renew with AA.

Having listened to the call in question, this seems to be about comments from AA about whether she could expect to receive a refund on her new policy (in other words, the policy she took out after renewal) when her NCD was reinstated.

It seems to me that there's been a misunderstanding here. AA's operator told Miss F she could get a partial refund from AA, if she stayed with it. But the operator wasn't able to say whether she'd get a refund if she went to another insurer, and uses a phrase that seems to have caused Miss F's confusion.

This is logical, because AA doesn't know how other insurers work and whether this approach is normal for them. It only knows its own processes.

But somehow this message wasn't received correctly by Miss F, which resulted in this complaint.

So, I think there's been a mistake made by AA in how it failed to clarify the issue for Miss F, and I also think its explanation of the refund wasn't particularly clear. But I don't think these mistakes are particularly significant or that they've caused Miss F additional distress over the issues she'd already encountered during her claim.

It follows that I don't think AA needs to do anything more to settle Miss F's complaint and I'm not upholding it.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 25 April 2024.

Richard Sowden
Ombudsman