

The complaint

Mr and Mrs E have complained about Automobile Association Insurance Services Limited (AAISL). They hold motor insurance and roadside assistance via AAISL and are generally unhappy about a number of things which have occurred.

What happened

Mr and Mrs E arranged motor insurance and roadside assistance cover via AAISL. They had cause to make a claim on their motor insurance whilst they held Gold Membership for roadside assistance. They weren't happy about the motor insurance claim for a number of reasons, ultimately complaining to the Financial Ombudsman Service. I issued a decision in respect of that complaint in October 2023.

Following my decision Mr and Mrs E remained unhappy – generally feeling let down by AAISL. They believed it was in overall charge of everything. They felt that, as Gold Members they should have had a better standard of service. Amongst other things they also felt they'd been unable to benefit from the Gold Membership cover they'd had because they'd had no access to their car for a long time due to the motor insurance claim. They felt AAISL should offer a full refund of the Gold Membership, particularly as they'd had a decision upholding their motor insurance complaint.

In addition, Mr and Mrs E also explained they were unhappy about how their Gold Membership had been priced. They felt they'd been penalised because of their complaint about their motor insurance claim. They felt the additional car hire cover they held had been used unfairly during the motor insurance claim, and that AAISL had provided them poor assistance during that time. They were concerned that cars, similar to the one subject of the motor insurance claim, are advertised on the AA website for sale for higher prices than the value they were given in settlement of their claim.

When our Investigator considered Mr and Mrs E's concerns she wasn't persuaded to uphold the complaint against AAISL. Mr and Mrs E were unhappy about that and their complaint was referred to me for an Ombudsman's consideration.

I also wasn't minded to uphold the complaint. But my reasoning for that was different to that explained by our Investigator. So I issued a provisional decision, my findings of which were:

"AAISL in overall charge"

There are many different and separate companies which make up the organisation commonly referred to as the "AA". Mr and Mrs E's belief that AAISL is in overall charge of them all is not correct. AAISL acts as a broker selling products and sometimes as an agent for other companies within the larger organisation – each of which do different things as individual legal entities. There is, for example, one company which provides motor insurance cover, and another which provides the cover offered by Gold Membership (with some of the additions to that cover being provided by another "non-AA" company).

For Mr and Mrs E this means that I can't make any 'umbrella' type finding against AAISL about how they feel they've been treated by the AA organisation as a whole. I'll explain this more specifically in the sections I set out below about the individual issues they've raised.

Car hire

Mr and Mrs E had some cover, arranged via AAISL, but provided by a 'non-AA' company, as an add-on to their motor insurance policy. The add-on cover afforded them a hire car for 21 days in the event of an accident. This benefit was used during the motor insurance claim – and the fact Mr and Mrs E were able to benefit from that was referenced by me in my final decision on the complaint about the motor insurance claim. Mr and Mrs E remain unhappy about this. But I can't revisit those findings, and certainly not in a complaint about AAISL. Not least as AAISL is not responsible for the motor insurance and doesn't provide the add-on cover which Mr and Mrs E had paid for.

Cars for sale on the internet

AAISL, as I've noted above, is a broker. AAISL sells motor insurance and roadside assistance policies. I've not seen anything which makes me think it is the company which owns the car sales part of the AA organisation. Even if that were the case, AAISL, as I've said, does not provide the motor insurance. Which means that even if AAISL were selling cars for sale at a higher price than what the motor insurer settled Mr and Mrs E's motor claim for, it wouldn't be acting unfairly in doing that – rather it would just be carrying out its business. With the fairness of the motor insurer's settlement having been considered by me in my decision on their complaint against the motor insurer. I can't revisit that.

Treatment during the motor insurance claim

I know that Mr and Mrs E feel that, as Gold Members, they should've been entitled to better treatment, or more assistance from AAISL during their motor insurance claim. But AAISL, in assisting with the motor insurance claim, does so as an agent of the motor insurer. So it didn't act in its own right and its actions weren't linked to Mr and Mrs E holding Gold Membership status. With AAISL, in any event, also not providing the Gold Membership.

Gold Membership

Having considered everything Mr and Mrs E have provided, I'm satisfied there are three key concerns from them about the cover, which they think AAISL should respond to. They are:

- That they should have been able to cancel the membership for a refund when they didn't have their car.*
- The price for Gold Membership for them was set unfairly because of their complaint about the motor insurance claim.*
- They've been treated poorly by the AA organisation so, at the very least, and by way of a sincere apology, there should be a goodwill gesture of a full refund of the Gold Membership cost.*

As I've noted above though, AAISL does not provide the Gold Membership cover. The provider of the cover would be responsible for the terms, such as those relating to cancellation. The provider would also set the price for the membership. So I can't tie any of that back to AAISL. And it's worth noting here that often complaints like this, when brought against the provider of such cover, are found to be outside of the jurisdiction of the Financial Ombudsman Service. Which means we can't consider the merits of them.

Regarding whether AAISL should provide a refund as an apology and goodwill gesture – my point remains that AAISL is not in overall 'charge' of the AA organisation. It doesn't, as far as

I'm aware, hold monies for those other companies and it isn't responsible for either the product they offer or for how they provide those services. Including when failures are made. I can't fairly and reasonably require AAISL to refund the Gold Membership price.

Summary

I'm fully aware of the events Mr and Mrs E have been through and how they feel thoroughly let down by the AA organisation. I know they'd like an overall assessment of what has happened and a full enquiry to be undertaken about everything which has occurred. But as I've explained above, AAISL, as a legal entity in its own right, and a respondent business for the purposes of our complaints procedure, is not in overall control of the component businesses which make up the 'AA organisation' Mr and Mrs E feel aggrieved about. I've answered the concerns they've raised as best I can within the limitations of that scope. In those respect I haven't found that AAISL has failed them."

Mr and Mrs E responded to my provisional decision. I've detailed and responded to what I view as their points key to my consideration of this complaint, within my findings section below. I can assure them though that I've read and considered their submissions in full. AAISL said it accepted my 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.

I know Mr and Mrs E have asked why this complaint has been set up just against AAISL – that they intended for it to be made against the CEO of the AA as well. But this service can only consider complaints against regulated financial businesses – the CEO of AA is not a regulated financial business. And nor are the AA's shareholders.

I'm aware that Mr and Mrs E feel strongly about all of this. That they think senior members of staff at our service should become involved and I know they've invited me, and seniors, to speak with them, on a conference call, to ensure nothing is misunderstood. Discussing a complaint in this way is not part of our process. If, as a deciding Ombudsman, I feel I need to speak to the parties to the complaint to gain a better understanding I can do so. But Mr and Mrs E have kindly provided extensive submissions explaining their concerns and I'm clear about what they've said.

I've considered everything Mr and Mrs E have said and provided about the wider AA organisation. I know they feel AAISL is a subsidiary and that everything is consolidated, with shareholder and accounts arrangements, along with email addresses and the brand – which show it is all one company. Meaning there shouldn't be any problem for me in considering all of their concerns and finding they've been let down by the organisation as a whole – which should result in the fair outcome of a full premium refund and compensation. But for the purpose of our complaint processes we can only look at individual businesses – I'm satisfied that AAISL, for the purpose of our complaint process, is an individual business.

I know Mr and Mrs E feel they've been bullied by the AA organisation – that its being hostile, discriminating against them and mistreating them, so much so they can't use any of its services. And I know they haven't renewed their Gold Membership. I'm sorry they feel this way. As I've explained, I can't hold AAISL accountable for how they've been treated, for example, in regard to their motor insurance. And in my provisional findings, I didn't find that AAISL had failed them in respect of any of the points complained about.

I see that Mr and Mrs E have said they never raised an issue regarding pricing of the Gold Membership. But I took detail in that respect from their letter dated 3 July 2023. The pricing of that membership, as well as the terms relating to cancellation are not matters for AAISL to answer. And I'd add that it is not unusual for a financial business to 'brand' their services whilst having certain of those services provided by other businesses.

I know Mr and Mrs E think that it would be easy for AAISL to just refund their premium, that they also feel they are due this because of all the unfairness, as well as the policy being miss-sold because AAISL must have known it would be useless in the event their car was a total loss and because they didn't receive the service paid for (because they don't have their car/a car). For me to make an award against AAISL requiring it to pay anything to Mr and Mrs E, I would have to be satisfied it, specifically, had failed them. I haven't found that was the case.

I see that Mr and Mrs E think that the AA car sales website will likely act as the reseller for any cars found by the motor insurance part of AA to be a total loss. I haven't seen any evidence that is the case. And my point remains that I haven't seen that AAISL is responsible for the car sales website.

As noted before, I absolutely understand how significant all of this is for Mr and Mrs E. I know they are worried and their continued focus on this is disrupting their lives. I know they feel it's important to continue to raise their concerns about the AA, in order to gain justice for themselves and to protect the public. But having considered everything that's been said, I've not been persuaded to change my view on this complaint. My provisional findings, along with my further comments here, are now the findings of this my final decision.

I will add here that Mr and Mrs E have commented as part of their reply to my provisional decision on this complaint, about the previous decision I made, and in respect of a complaint yet to be considered by this service. I can't comment at all, in any medium, about the decision previously made. I also can't comment on a complaint which is pending consideration by this service, which is still in the early stages of our process.

My final decision

I don't uphold this complaint. I don't make any award against Automobile Association Insurance Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E and Mr E to accept or reject my decision before 12 April 2024.

Fiona Robinson
Ombudsman