

The complaint

Mr and Mrs P are complaining about the way Automobile Association Insurance Services ('AAIS') Limited handled the initial administration of a claim they made on Mrs P's car insurance policy.

What happened

In July 2023 telephoned to make a claim for a non-fault accident where Mrs P – the policyholder – was driving. The call was initially handled by a third party company ('TPC') who explained that, as Mrs P wasn't at fault for the accident, it could arrange to provide them with an after event insurance ('ATE') policy where the TPC would handle the claim outside of Mrs P's insurance policy, she would get a like for like hire car and her car would be repaired. It said this would not cost anything, but the TPC may ask Mrs P to assist in any recovery if the third party's insurer didn't cover the claim. The TPC says Mrs P agreed to this and it said it would get one of its approved repairers to contact Mrs P to arrange to get the car repaired.

However, Mr P – Mrs P's husband and a named driver on the policy – was worried there could be mechanical damage to the car due to the nature of the accident and he expressed concern that any repair carried out would invalidate his seven year warranty if an approved manufacturer repairer did not do it. He says he was assured this wouldn't be a problem.

However, he says, when the garage contacted him, it said it didn't carry out mechanical work. So he rejected that garage.

AAIS called Mrs P back and then spoke with Mr P. The call handler said he would arrange for a different garage to complete the repairs. He assured Mr P that the garage was a very experienced garage and it would complete the repair satisfactorily. Mr P asked that the garage put in writing that the repairs would not invalidate his warranty, but the call handler said the garage wouldn't do that.

The following day, Mr P spoke with AAIS and complained about the day before and he raised the following:

- He said he felt AAIS used unreasonable sales techniques to push him and his wife into other unnecessary products.
- He was unhappy with the way the last call handler handled the call. He said he felt blackmailed as the call handler said he had to use one of the TPC's approved repairers or he wouldn't be given a hire car.
- He didn't think the call handler's attitude on the telephone was reasonable.

AAIS didn't uphold this complaint as it thought the call handlers handled all the calls professionally. It also said the information provided was accurate. Mr and Mrs P didn't agree so referred their complaint to this Service.

I issued a provisional decision upholding this complaint and I said the following:

"I should first set out that I acknowledge I've summarised Mr and Mrs P's complaint in a lot

less detail than they've presented it. Mr and Mrs P has raised a number of reasons about why they're unhappy with the way AAIS has handled this matter. I've not commented on each and every point they've raised. Instead I've focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy about this, but it simply reflects the informal nature of this service. I assure all parties, however, that I have read and considered everything they've provided.

I think it would be helpful, in the first instance, to set out AAIS's responsibilities regarding the insurance policy. AAIS was Mrs P's broker and the policy's administrator. So, when Mrs P first called to make a claim on her insurance policy it was AAIS's responsibility to explain what her options were to get her losses resolved – it was not its responsibility to handle the claim itself. Mr and Mrs P have also raised a complaint about the actions of their insurer and that's been considered separately by this Service. I've now thought about whether AAIS treated Mr and Mrs P fairly. In doing so, I've listened to all the telephone calls they had with AAIS and the TPC.

When Mrs P spoke with the TPC, she did so by calling the number on her insurance policy documents. So she did so with the intention of making a claim and I think the TPC was acting on AAIS's behalf in this call. So AAIS is responsible for the way the TPC handled that call.

As Mrs P set out she wasn't at fault for the accident, the TPC explained to Mr and Mrs P separately they had the option to use an ATE insurance policy. It explained that, if they used this policy they would not be claiming through their insurance policy, so wouldn't have to pay their excess and they'd get a like for like hire car. It said this wouldn't cost them anything, but it said they may have to assist in recovering any outlay from the third party's insurer if the insurer didn't pay its outlay. It said they could claim through their insurance policy, but said they'd have to pay their excess and would only receive a 1ltr courtesy car. Mr P expressed concern whether the repair would invalidate their warranty or not, but agreed in principle to using the ATE policy, subject to speaking to the garage itself. I don't think the TPC handled this call unreasonably. And I don't think it pressured Mr and Mrs P into taking out the ATE policy.

Mr P spoke with AAIS again on the claim later in the day as he complained that the garage first appointed only did bodywork repair and wouldn't cover any mechanical damage. He reiterated his concern that the battery could have been damaged in the accident and, in particular he did not want the car's warranty to become invalid as a result of this repairs.

Mr P has set out that he's particularly unhappy with the way this call was conducted. As I said, I've listened to this telephone call and I can understand some of Mr P's concerns in this regard. I'll explain why.

In the first instance, I should set out that I don't think the call handler said anything incorrect on the telephone call. Mrs P had the option of two insurance policies to use – her motor insurance policy arranged by AAIS, or to take out the ATE policy arranged by the TPC. Mr P has said he felt blackmailed as the call handler said if he didn't use one of the approved repairers – regardless of his concerns – he wouldn't get a hire car. But the terms of both insurance policies clearly set out that a hire/courtesy car is only provided if Mrs P uses one of the respective companies' appointed repairers. I recognise Mr P was unhappy the call handler said this, but he was simply setting what the policies covered and I think it was important he did that so that Mr and Mrs P could make an informed choice about what they wanted to do with the claim.

However, while I think what the call handler said was factually correct, I don't think he handled the call fairly. I think he entered the call expecting Mr P to be unreasonable. I do

think Mr P had acted unfairly at times in this matter – which I'll set out later. And AAIS and its staff have the right to be treated with respect. But I don't think Mr P acted unreasonably in this call. He had a genuine and fair concern that any repair was carried out would not invalidate his seven year warranty. And I don't think the call handler handled this in a fair and professional way. I think the tone of voice he used was dismissive and unreasonable at times and I think the call could have been handled better. So I think AAIS should apologise for the way that call was handled.

That said, as I said, I do think Mr P has to accept some responsibility for what happened. There were numerous times he referred to individuals as "idiots" and was condescending to individuals on a number of occasions. AAIS is entitled to expect its staff to be treated in a fair and reasonable way. And, ultimately, while I acknowledge Mr P didn't agree with the garages appointed, AAIS didn't tell him anything wrong and did move the claim forward in line with the options available to him under either the terms of his insurance policy or the alternative ATE policy. So I don't think it needs to do anything more other than apologise for the way that call was handled."

Mr P responded to my provisional decision and, in summary, said he believed I'd reached the right conclusion but added the following:

- Their insurance policy provided cover for a courtesy car while their car was being repaired.
- AAIS attempted to get Mrs P to sign an ATE policy, to supersede her insurance policy, which sought to restrict repairs being only undertaken the TPC's associated garage, which he said was not a condition of their insurance policy. And he said it 'incentivised' Mrs P into accepting this restriction, by offering to supply her with an automatic car in line with her licence.
- He said he spoke with the car's manufacturer who said it would be safe to drive Mrs P's car given the rear wheel was buckled and also the impact area, adjoined the location of the battery, which could be dangerous to drive, if the battery was damaged and this needed to be checked by an engineer, qualified to work on an electric / petrol car.
- He reiterated that any work carried out by a non-manufacturer approved garage would invalidate the car's seven year warranty.
- He said when the claim was referred to his insurer, the third party's insurer provided a like-for-like automatic car as a replacement hire vehicle.

Admiral didn't respond to my provisional 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.

Mr P has raised further comments regarding the way the insurer handled his claim. But I'm only considering AAIS's actions in this matter. While I've noted what I've said, I'm unable to comment on anything that happened once the claim was passed back to the insurer as this Service considered this separately under a separate complaint reference.

I don't think Mr P has raised anything new that he hadn't raised previously. As I said in my provisional decision, I don't think Mrs P was pressured into taking out the ATE policy. I note he's said the third party's insurer later provided a like-for-like hire car, but that wasn't guaranteed. The call handlers had to explain the difference between using the ATE policy and their own insurance policy. And the simple fact of the matter is Mrs P's insurance policy didn't provide cover for a like-for-like insurance policy. Further to this, it also didn't provide cover for a hire car if Mrs P didn't use one of the insurer's approved repairers. So the call

handlers didn't pressure or "incentivise" Mrs P. They simply explained the different options available. And they didn't provide false or misleading information.

So it remains my decision that AAIS and the TPC didn't say anything factually incorrect or unreasonably pressure Mr and Mrs P into the ATE policy. But, as I said, I think AAIS's call handler could have handled the final call better. And I still think I should apologise for this.

My final decision

For the reasons I've set out above, it's my final decision that, I partially uphold this complaint and require Automobile Association Insurance Services Limited to apologise for the way the final call was handled on the day Mr and Mrs P called to make a claim. I don't require it to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs P to accept or reject my decision before 30 November 2024.

Guy Mitchell

Ombudsman