

## **The complaint**

Mr K complains about the way AA Underwriting Insurance Company Limited handled a claim he made on his motor insurance policy for repairs needed to his car.

## **What happened**

In May 2023 Mr K was involved in an accident whilst driving his car. The accident was deemed to not be Mr K's fault, but as his car was damaged, he made a claim on his AA insurance policy.

AA thought Mr K's vehicle could be repaired, so it arranged a hire car for Mr K as he was entitled to under his policy. However, in November 2023, still without his car being repaired, Mr K complained about the delays he'd experienced. AA responded with a complaint final response letter (FRL) on 27 December 2023. That said whilst AA realised the delay was inconvenient, this had mostly been due to a global shortage of parts outside of its control. It said, as of December 2023, it was awaiting availability of a specialist to review the crash data and reset the airbags.

In January 2024 Mr K was told his vehicle was ready to collect, the repairs all being completed, and the car being valeted and checked. Mr K collected the car on 19 January 2024.

Mr K says when he picked up the car from the garage, it hadn't been cleaned and the boot wouldn't open. He returned the car to the garage the following day and AA agreed to extend the hire period until the issue with the boot was looked into. Mr K then made a further complaint to AA about the state the car had been returned in, and the inconvenience that the further delays were causing him.

On 19 March 2024 AA issued a second complaint FRL. That said that in order to identify the issue with the boot, the dealership – rather than the garage – needed to run diagnostic tests, and whilst they'd been chased, no response had been received on those. AA did recognise this would be inconvenient for Mr K and offered £200 compensation.

Unsatisfied with AA's response, Mr K referred his complaint to the Financial Ombudsman Service for an independent review. He wanted AA to write off his vehicle and pay him what it was worth at the time of his accident in 2023. He said given the issues faced with repairs, he had little confidence in the work that had been undertaken on the vehicle.

By the time an Investigator at this service was able to review matters, Mr K advised the position had moved on. He said on 29 March 2024 (after the FRL) AA removed his hire car from him, even though he didn't have his vehicle back. He said his car was then returned to him on 4 April. However, given the state of the car and his lack of confidence in driving it after AA's delays and poor work, he part-exchanged the car. So, he said a write-off was no longer viable. Instead, he said he'd suffered losses including the cost of taxing the car for six months, and ten months' worth of car insurance payments for a car he didn't have possession of. He also outlined the inconvenience the delay had caused him, including the worry that the hire car would need to be returned at very short notice whilst travelling for a family funeral.

Our Investigator thought whilst Mr K had had a lengthy delay, that had largely been outside of AA's control. She thought £200, for the issues it had caused, was reasonable. She said

whilst there had been further issued after the second FRL, she wouldn't consider those as part of this complaint.

Mr K said he was disappointed with the outcome and asked for an Ombudsman to consider matters. He said when he'd spoken to the manufacturer of his vehicle, it had said most parts were readily available, so he didn't agree the delays weren't the fault of AA.

In November 2024 I issued a provisional decision on this complaint. I said I didn't think all of the delays were outside of AA's control, and that the reason given – a delay in parts being outside of its control – wasn't supported by the notes AA had on its file. As the reasoning in my provisional decision forms part of my final decision, I've copied what I said below:

#### *Did AA cause unnecessary delays up until 19 January?*

*Clearly being without use of your own vehicle for around seven months would be inconvenient for Mr K. But I can only make awards for upset caused by any unnecessary delays I consider AA caused. In its FRL AA said the delay in the repair had been due to a delay in parts being received due to a global shortage. However, from my review of the claim notes, I don't think this is the only reason for the delay.*

*From AA's claim notes, I can see AA's approved repairer (AR) did tell AA that the vehicle was "undergoing repairs" in July 2023. And on 31 July 2023 the notes say "I called (AR) they are still waiting for parts, the guy I spoke to asked me to send him an email and he'd respond with a list of part names and numbers for any parts on (back order)".*

*However, on 2 August 2023 AA's notes say the AR admitted it hadn't actually ordered any parts, as it had no slots in the body shop to assess the vehicle. It was agreed the vehicle would be looked at at the start of September.*

*So I don't think AA has been transparent with Mr K about the cause of delays with his vehicle. And whilst AA was relying on information from the garage, as the AR is an agent of AA, I can't say this was a reasonable delay between the start of June, when the vehicle was recovered, until the vehicle was assessed in September. So I think AA failed Mr K during this period.*

*I can see that, on realising the garage hadn't assessed the vehicle, AA did try and find another AR to carry out the repairs. That was unsuccessful, no other garages could assist, but I think AA acted reasonably in trying to move matters forward. However, this could have been done months earlier, but for the garage seemingly misleading AA. So I intend to find that, in being responsible for the actions of its agents, AA is also responsible for causing a delay in the claim, which I estimate to be around three months.*

*I'm satisfied that once the car was assessed in September parts were ordered and there does seem to have been some delay down to availability of parts. Those parts arrived in mid-November 2023. Whilst it was mid-January before Mr K was told his car was ready, I haven't seen anything else in the notes which persuades me there were any further unreasonable delays caused in that time.*

*So as above, I'm satisfied AA is responsible for delaying Mr K's repair by around three months. I'll return to what I intend to require AA to do to put matters right later on in this decision.*

#### *Issues with Mr K's car-boot*

*Mr K returned his car to the AR one day after picking it up, as the boot wouldn't open. I know it has been later contested that this fault had anything to do with the accident-related damage, or the AR. I'm not going to assess this as part of this complaint, as that particular part of the dispute after AA's second FRL was issued. However, whether AA was responsible for that damage or not, I'd have expected, given the delays faced by Mr K and*

*AA's assurance the car had been repaired, valeted and quality checked, that the boot would have been checked to confirm it opened before Mr K picked it up.*

*So I intend to say AA caused further inconvenience to Mr K here in that it meant he had to do the return journey to the garage having only just picked up his vehicle the day prior. He says that journey took around an hour. I think it was reasonable for AA to agree to extend the hire car whilst it looked into the boot, but I still think AA caused Mr K some unnecessary inconvenience here in not checking the car before he picked it up.*

#### *Inconvenience caused to Mr K*

*As set out, I intend to find AA caused unreasonable delay to the repairs, and it caused Mr K inconvenience in not checking the car boot before he picked the car up. So I've thought about what is required to resolve the complaint and put matters right. AA did keep Mr K in hire and agreed to extend it due to issues with the boot (up until the date of the second FRL).*

*However, Mr K has explained the inconvenience he faced due to being with a hire car for longer than he should have been. He said hire was often only extended for a week at a time, and this wasn't done automatically. Rather he had to chase the extension. He also said he was concerned the hire car would be revoked at short notice, and this caused him unnecessary distress when having to travel to a family funeral. Having considered the above, I intend to ask AA to pay Mr K a total of £400 compensation, including the previous £200 offered.*

*However, I'm not going to ask AA to refund tax Mr K paid or insurance costs, whilst the car was being repaired, as he would have always incurred those costs even if repairs had been carried out sooner. So, I don't think AA has caused him a financial loss in this respect, given he had access to a hire car provided by AA during this period.*

*Mr K says he's now sold the car to a dealership for less than he'd have received on the open market and that the car depreciated in value whilst with AA. I haven't considered this further as at the point of AA's second FRL, the car boot issue hadn't been resolved. So I don't reasonably know the cause of the issue with the boot. And for me to make a finding on the sale of the car in this complaint, may prejudice future findings yet to be made on Mr K's follow up complaint.*

#### *Responses to the provisional decision*

*AA responded to say it accepted the provisional decision. Mr K didn't provide a response, so I'm issuing this 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.*

*As neither party has provided any further points for me to consider, I see no reason to depart from the findings set out in my provisional decision. As such, my provisional findings are now that of this, my final decision.*

#### **My final decision**

*My final decision is that I uphold this complaint and I require AA Underwriting Insurance Company Limited to pay Mr K £400 to resolve the complaint.*

*AA Underwriting Insurance Company Limited must pay the compensation within 28 days of the date on which we tell it Mr K accepts my final decision. If it pays later than this it must*

also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

If AA Underwriting Insurance Company Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr K how much it's taken off. It should also give Mr K a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 31 December 2024.

Michelle Henderson  
**Ombudsman**