

The complaint

Mr P complains AA Underwriting Insurance Company Limited (AA) poorly handled his claim on his motor insurance policy.

What happened

Mr P made a claim on his motor insurance policy when his car was damaged in a non-fault accident with a third-party.

The car was recovered from Mr P's home address and taken to AA's approved repairer. He was provided with a courtesy car, but he said it was inappropriate because it was much bigger than the damaged car, and the named driver on his policy felt nervous driving it. He said it wasn't used and he had to ask for it to be taken away. Mr P felt this was a waste of money and had unnecessarily increased the cost of his claim.

It took almost two months to complete the repairs to the car and Mr P said during this time he contacted AA numerous times, but he wasn't provided with any meaningful updates. And when the car was returned the repairs were of a poor quality. This included issues with the back door not opening, a window not closing and a leak to the boot. Mr P had these repairs completed at his own expense.

AA accepted there had been delays and that communication to Mr P was not up to the expected standard. It apologised and offered him £150 compensation.

Because M P was not happy with AA, he brought the complaint to our service.

During the investigation to Mr P's complaint AA offered to pay for the damage to the window and increase the compensation offered by £150 making a total of £300 compensation. This offer was rejected by Mr P.

Our investigator upheld the complaint. They looked into the case and said AA's offer to repair the window of the car and pay a total of £300 compensation for the lack of updates was fair, but it should also consider the costs to repair the boot of his car.

As neither AA nor Mr P replied to our investigator's view the complaint has been brought to me for a final decision to be made.

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.

Courtesy car

I looked at the terms of the policy in regard to supply of a courtesy car. It says in the after the event part of the policy;

"What is insured?"

The cost of hiring a replacement hire car broadly comparable to your vehicle.”

And

“Where you ask us to provide a replacement vehicle we will select and source one for you. If your vehicle is less than eight years old, this will be a vehicle of the same category as your vehicle, and of the next lower category, where your vehicle is more than eight years old..”

I saw a hire car was provided to Mr P and approximately three weeks after it had been provided, he told AA that the car was too large and more expensive than his damaged car. He said the named driver on his policy was nervous about driving it and it wasn't being used. I saw at this point AA told Mr P it could offer a smaller car when one became available or provide a car that was not like for like. A few days later Mr P asked AA to collect the car it had provided, which it did. I didn't see that he asked for a replacement hire car at this point.

I am unable to say AA did anything wrong here as a courtesy car was provided as per the policy terms and then alternative options were offered when he said the car was unsuitable for the named driver.

Therefore, I do not uphold this part of Mr P's complaint.

Delay and repairs

I saw evidence of Mr P contacting AA a number of times requesting an update on the repairs. The car was at the repairer for a period of approximately six weeks. AA said due to the car needing repairs to both the front and back it didn't think this was an unreasonable timescale.

There is no set timeline for repairs to be completed. The time taken will depend on a number of factors, including the extent of damage and availability of parts. From the evidence I saw the damage sustained did appear to be quite extensive and I haven't seen any evidence of unnecessary delays.

When the car was returned to Mr P he found that a window wouldn't close. He made AA aware of this straight away. He arranged and paid for his own repairs for this and then submitted an invoice for the cost to AA. Initially AA said it wouldn't cover the costs for the repair as this had not been reported as damage and it had not been assessed as part of the claim. However, after the complaint was brought to our service AA said it was possible it could have been damaged in the impact but not been noticed because there was no visible damage. It said it would cover the repair cost of £180. It also increased its initial offer of £150 compensation for the poor claim handling to £300 to include the delay in settling the window invoice.

This is a fair and reasonable outcome, and offer of compensation, in the circumstances of this complaint.

Mr P has also mentioned there was further damage to the rear of his car by way of a leak to the boot. Providing it can be evidenced that it is related to the claim from May 2024, AA should also consider it as part of Mr P's claim.

I therefore uphold this part of Mr P's complaint.

Claim Handling.

Mr P feels that overall AA didn't assist in the progression of his claim and that its conduct appeared to be financially motivated and not in his interests. He said he felt AA wanted to maximise the claim costs against the third-party.

I have not seen any evidence which persuades me that AA caused avoidable costs to the overall outlay of this claim. The hire car provided was in line with the terms and conditions of Mr P's policy whilst his damaged car was in for repair, and it was taken back when this was requested by Mr P. I saw evidence of AA contacting its approved repairer to progress the repairs and they were completed within a reasonable timescale.

I do not uphold this part of Mr P's complaint.

Putting things right

In this case I do consider there was a poor level of communication and that not all the accident damage was initially identified and repaired. Therefore, I require AA to pay Mr P a total of £300 compensation for the distress caused to him due to this. It should pay for the cost of the repair to the car window of £180. It should also consider if the leak to the boot of Mr P's car relates to the repairs undertaken, and refund of the costs paid to repair if appropriate.

My final decision

For the reasons I have given I uphold this complaint.

I require AA Underwriting Insurance Company Limited to:

- Pay Mr P a total of £300 compensation. Less anything already paid.
- Pay Mr P £180 for the cost of the repair for the window to the car.
- Consider if the leak to the boot of Mr P's car relates to the repairs undertaken, and refund of the costs paid to repair if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 25 February 2025.

Sally-Ann Harding
Ombudsman