

The complaint

Miss M is unhappy with the way AA underwriting Insurance Company Limited (AA) have handled the claim she made under her motor insurance policy.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events. In August 2023 Miss M was unfortunately involved in an accident involving another driver and so submitted a claim to AA. Miss M raised a complaint with AA as she was unhappy with the length of time the claim was taking and the long hold times. On 30 October 2023 AA issued a final response to Miss M's complaint. It said liability was in dispute and the claim was progressing. It apologised for the long hold times and sent a cheque for £150 as an apology.

Miss M raised a further complaint with AA. She said she was told she wouldn't need to pay her policy excess, but this was being charged by the repairer. She was also unhappy with the progress of her claim, particularly in regard to collecting witness statements. On 17 January 2024 AA issued a final response to Miss M's complaint. It said the excess was payable in line with the terms of the policy and it had made Miss M aware of this after she logged her claim. It said it would be unlikely to be able to achieve a non-fault outcome based on the evidence it had currently and it would continue to chase the independent witness statement.

In April 2024 AA spoke to Miss M and said it would be looking to settle the claim on a 50/50 liability basis. Miss M was unhappy with this and objected to the decision AA had made on liability. Later that day AA withdrew its offer to settle the claim on a 50/50 basis and passed the claim to the solicitor dealing with Miss M's personal injury claim to deal with. It emailed Miss M and said the solicitor had a witness statement it wasn't in receipt of. Miss M raised a complaint about AA's decision to settle the claim on a 50/50 basis and the way the call handler had spoken to her. On 15 May 2024 AA issued a final response on Miss M's complaint. It said its handler had remained professional throughout the call and it had already retracted its 50/50 offer to settle the claim. Miss M was unhappy with the service she had received from AA and so referred her complaints to this Service.

Our investigator looked into things. He said he didn't think AA's handlers had acted in an inappropriate or unprofessional manner. He said he thought it was reasonable for Miss M to pay her policy excess in line with the policy documents. He said he was unable to consider whether she had received incorrect advice about this from a third party. He said he thought AA had acted reasonably in requesting the witness statements and had fairly considered them when deciding liability. He said he didn't think AA had caused unreasonable delays in the claim being considered. He said he thought AA were fair to look to settle the claim on a 50/50 liability basis based on the evidence it had and the terms of the policy, and acknowledged this was retracted a few hours later. He said he thought the £150 compensation AA had offered was reasonable in the circumstances.

AA didn't respond to our investigator's view but Miss M disagreed with it. She said she hadn't received the £150 compensation AA had said it would pay. She said AA hadn't taken

into consideration all of the available evidence when it looked to settle her claim on a 50/50 basis.

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

I want to acknowledge I've summarised Miss M's complaint in less detail than she's presented it. I've not commented on every point she has raised, instead I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Miss M and AA I've read and considered everything that's been provided.

I also want to be clear about what I've considered as part of this decision. I've considered the events which AA have addressed in its final responses of 30 October 2023, 17 January 2024 and 15 May 2024. I've addressed the key points separately.

Claim delays and customer service

The relevant rules and industry guidance explain AA should handle claims promptly and fairly. Miss M is unhappy with the length of time her claim has taken, the long hold times and the way AA's claim handler spoke to her. AA have said its claim handler acted professionally, but acknowledged Miss M experienced long hold times when she was trying to speak to it and have offered £150 compensation.

Based on the evidence provided I don't think AA have caused unreasonable delays in Miss M's claim progressing. I can see it was regularly chasing for witness statements and was waiting for the third party insurer to send CCTV footage so it could consider its liability position further. The delays in this information being provided to it were outside of its control and so it wouldn't be fair to hold it responsible for this.

I've also listened to the call Miss M had with AA when it told her it would be looking to settle the claim on a 50/50 basis. I acknowledge Miss M strongly disputed the position AA were looking to take on liability, but I'm satisfied the claim handler remained professional throughout. Ultimately this call became unproductive and so I don't think it was unreasonable for the handler to terminate it.

It would have been frustrating for Miss M to have to wait on hold for a long time each time she wanted to speak to AA, and this would have caused her some inconvenience. However I think the £150 compensation AA offered is reasonable to acknowledge the impact this caused to Miss M. I acknowledge Miss M has said she didn't receive the cheque AA sent and this has caused her some inconvenience. However overall I think the £150 compensation AA offered is reasonable and am aware AA have re-issued the cheque to Miss M.

Excess payment

When Miss M reported her claim she made AA aware she had suffered a personal injury. AA referred this element of Miss M's claim to a solicitor I'll call S1. Miss M said S1 told her that her excess wasn't payable which caused her distress and inconvenience once the repairs to her vehicle were complete. AA have said Miss M's excess is payable in line with the terms of her policy and she was made aware of this after she reported her claim.

I can see from the terms of Miss M's policy an excess is payable if a claim is made for loss or damage. Miss M's schedule shows Miss M had a compulsory excess of

£100 and a voluntary excess of £200, meaning it was necessary for her to pay £300 to the repairer once the repairs on her vehicle were complete. Based on the terms of Miss M's policy, I'm satisfied it was reasonable for her to be charged her policy excess.

I can't hold AA responsible for any misinformation she may have been provided by S1 in relation to her excess. She would need to raise this with S1 directly. I haven't seen any evidence AA told Miss M she wouldn't need to pay her policy excess and so I don't think they made an error in relation to this.

Liability

I should explain it isn't this Service's role to say who's at fault for causing an accident as this is the responsibility of the courts. Our role is to look at whether AA carried out a fair investigation, reviewed all the evidence and has come to a reasonable decision.

The terms of Miss M's policy allow AA to take over and conduct the defence or settlement of any claim made under the policy. So it is entitled to settle the claim on what it believed to be the best terms and it has the final say in how to settle a claim. However it needs to exercise this right fairly and reasonably, taking into account everything both parties have provided.

Following Miss M's conversation with AA on 3 April 2024, AA retracted its offer to settle the claim on a 50/50 basis and passed the claim to S1 to deal with going forward. And so, as liability is ongoing, I don't think it's necessary for me to comment on this. However what I've considered is whether AA were reasonable to look to settle Miss M's claim on a 50/50 basis in the first instance.

I'm satisfied AA had taken into consideration all of the evidence it had been provided such as Miss M's version of events, witness statements and available CCTV when it offered to settle the claim on a 50/50 basis. However S1 had received a further witness statement which hadn't been provided to AA. AA have said it had made multiple attempts to contact this witness but given the lack of response, it was reasonable for it to assume no witness statement would be forthcoming.

I think it would have been good practice for AA to have contacted S1 prior to making any decision or offers on liability given S1 may have obtained further evidence AA had been unable to. Had it done so it would have been made aware S1 had obtained a witness statement it hadn't received and could have taken this into consideration. I don't think AA would have made the offer to settle the claim on 50/50 basis if it had received a copy of this witness statement, particularly given it subsequently withdrew the 50/50 offer once it became aware S1 had received this.

I think this has caused Miss M some distress. Miss M was particularly upset by AA's decision to settle the claim on a 50/50 basis and so I think it's fair she is compensated for this. However I have taken into consideration AA withdrew its offer to settle the claim on a 50/50 basis and made Miss M aware of this the same day it was made. So I think the distress Miss M was caused was limited to a short period of time. I think AA should pay a further £100 compensation to acknowledge the distress and inconvenience Miss M was caused by this.

Other issues

Miss M has said she has experienced poor service from S1. However I can't see this

has been considered or addressed by AA in its responses to Miss M's complaints. Miss M has also provided evidence showing she has raised a complaint directly with S1 and it has responded to this. Therefore I've not considered the customer service issues Miss M has raised about S1 as part of this decision.'

AA didn't respond to my provisional decision but Miss M didn't agree with it. She has provided a detailed response but in summary:

- She believes key evidence was overlooked by AA when it looked to settle her claim on a 50/50 basis, including witness statements, police reports and medical information
- She is unhappy the £150 compensation hasn't been paid by AA
- She has experienced customer service issues with S1
- She doesn't think AA appropriately took into consideration her circumstances when dealing with her claim
- She doesn't think the compensation appropriately takes into consideration the emotional distress she has experienced due to the way AA have handled her claim

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.

Having considered the evidence that's been provided, I don't see any reason to depart from the decision I made previously.

I want to acknowledge Miss M has provided a detailed response to my provisional decision. Whilst I may not comment on every point she has raised, I can assure her I have read and considered everything she has said.

Miss M has said she believes key evidence was overlooked when AA looked to settle her claim on a 50/50 basis. As I explained in my provisional decision, I think it would have been good practice for AA to have spoken to S1 before it looked to make a decision on liability, and had it done so I don't think it would have made the offer to settle the claim on a 50/50 basis. I've taken into consideration the distress and inconvenience Miss M was caused due to this.

Miss M has said the evidence provided supports her position on liability, and would like her case to remain open until she can provide an updated police report. As explained in my provisional decision, the role of this Service isn't to say who is at fault for an accident. And AA have passed the claim file to S1 to deal with the liability of the accident. If liability is still ongoing, Miss M should look to pass any evidence she believes supports her position on liability to S1 to take into consideration.

Miss M said she was offered £150 compensation following AA's final response of 30 October 2023 but AA refused to honour this payment. She would like the distress and inconvenience she has experienced trying to get AA to send this payment to her taken into consideration. AA have provided evidence it raised the £150 by cheque on 31 October 2023. Miss M made this Service aware she hadn't received this payment and so this cheque was stopped and a further cheque was issued on 13 November 2024.

Miss M has said she made AA aware she hadn't received the initial cheque, but I haven't seen evidence of this. As I'm satisfied AA raised the cheque in October 2023 as it said it would, and haven't seen evidence it was made aware this hadn't been received until this Service became involved in the complaint, I don't think it made an error here. If Miss M

hasn't received the cheque that was issued in November 2024, she should make AA aware so it can look into this.

In terms of the £150 compensation that AA awarded to Miss M, as explained in my provisional decision, I think this is reasonable to acknowledge the distress and inconvenience she was caused due to AA's long call wait times.

Miss M has said she has experienced issues with S1 and hasn't had any meaningful update on liability. I can't see this has been considered or addressed by AA within its responses to Miss M's complaints. And Miss M has provided evidence she has raised a complaint directly with S1. Therefore I've not considered the customer service issues Miss M has raised with S1 as part of my decision. If Miss M has received a final response from S1 or AA in relation to these issues she may be able to take this further with the relevant dispute resolution service. If Miss M has experienced further issues with S1 since she last complained to them, she can look to raise this with them directly in the first instance.

Miss M doesn't think AA have reasonably taken into consideration all of her circumstances and the compensation award isn't sufficient to acknowledge the distress and inconvenience she has been caused. I think it's important to note that any claim following an accident, particularly one which causes injury, is going to have some level of disruption and inconvenience even if there are no errors by the insurer. And so when considering appropriate compensation I've considered the errors I hold AA responsible for, and the impact these errors have had on Miss M, above what would be considered the norm in the circumstances.

I naturally empathise with Miss M given what she has said about how her injuries following the accident are impacting her day-to-day life. However, for the reasons I've explained I think a total of £250 compensation is reasonable to acknowledge the impact the errors I hold AA responsible for have had on Miss M and so I won't be increasing this award.

My final decision

For the reasons I've outlined above, I uphold Miss M's complaint about AA underwriting Insurance Company Limited. I require it to pay Miss M a total of £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 20 March 2025.

Andrew Clarke
Ombudsman