

The complaint

Mr and Mrs K have complained about the handling of a claim under their after the event insurance policy with AA Underwriting Insurance Company Limited.

What happened

The background to this complaint is well known to the parties, so I see no need to repeat it here.

Our investigator issued a view on the complaint, which said that AA should do the following:

- Reimburse the cost of repairing the suspension on Mr and Mrs K's car, subject to them providing an invoice for this.
- Reimburse their travel expenses for the period between when their hire car was taken away and when their car was repaired, i.e. 27 July to 8 September 2023, subject to them providing invoices in support of these.
- Pay them £250 in compensation for distress and inconvenience.

AA accepted the investigator's view. Mr and Mrs K were pleased with it in principle, but were concerned they would not get enough to cover the extra travel costs they incurred as a result of being without their car.

As Mr and Mrs K weren't entirely happy with the investigator's view, the case was passed to me for a decision.

I issued a provisional decision on 20 January 2025 in which I set out what I'd provisionally decided and why as follows:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I agree with our investigator that – based on the evidence available – the damage to the suspension on Mr and Mrs K's car was caused by the repair process. Therefore, AA should cover the cost of putting this right. So, I am pleased it has agreed to do so.

Mr K has provided a copy of an invoice for this work and an email explaining that it cost £1,565 (rounded). So, I'm satisfied this is the right amount for AA to pay Mr and Mrs K for this. And they should be compensated for being without these funds. They settled the invoice on 15 September 2023, so they should receive interest on this amount at 8% per annum simple from this date to the date of payment by AA.

I agree that this issue caused Mr and Mrs K general distress and inconvenience and that fair compensation for this is £250. I have assumed AA hasn't paid the £150 it offered, but it should let me know if it has, as this will need to be deducted.

I also agree AA should reimburse any expenses Mr and Mrs K incurred as a result of being without their car. This is because AA should have realised the problem with the suspension was down to their repairer and that Mr and Mrs K should have a hire car while it was fixed. However, I do not consider they should receive what it would have cost AA to provide them with a hire car, as they should only be compensated for the fact it failed to do so. And this may not equate to what this would have actually cost.

I'm satisfied with the invoices Mr and Mrs K have provided for a hire car in the period concerned. These total £402 (rounded).

Mr and Mrs K have also provided a bank statement to show they spent £881.25 on train journeys. Mr K has explained these journeys were for the family to go on holiday to Cornwall, as they didn't have their car. Plus, he has said they had to pay an additional amount, which I have estimated to be £40, to get into London and back to take the train to Cornwall. But Mr K has also confirmed that one of the train journeys was for one of them to come back early.

This means there were actually only three train journeys with a total cost of around £760 that happened as a result of Mr and Mrs K being without their car. I say this because the one for coming back early would have been needed anyway. Plus, I think a deduction of £200 needs to be made to reflect the saving in fuel as a result of not taking their car. This means I think Mr and Mrs K are due £560 towards the cost of their train journeys.

Mr K has also explained that they used local taxis over the period without their car to get their children to events and to do supermarket shopping. Obviously, this was much more practical and convenient than using public transport. And I think a reasonable amount needs to be allowed for these costs. Mr and Mrs K paid cash for these taxis and didn't get receipts because cash was the only option for payment. And because they didn't think to get receipts at the time. Mr K estimates they spent around £200-300 per week on taxis. But it is hard to be sure without receipts. I think short local journeys were likely to have cost around £20 return in the area they live in. And children can have numerous activities they involved in each week. But I need to bear in mind that it is possible Mr and Mrs K could have used public transport on some occasions and that they can't provide any receipts at all. So, I think a reasonable amount to allow per week for taxis is £150. The period they were without their car was five weeks, so that makes £750.

This means I think Mr and Mrs K should receive a total of £1,712 towards their travel expenses for the period they were without their car due to AA's failure to realise the problem with the suspension was down to its repairer. I've decided not to award interest on this amount, as it is only an estimate and Mr and Mrs K haven't provided receipts to show when they paid most of the expenses.

My provisional decision

For the reasons set out above, I've provisionally decided to uphold Mr and Mrs K's complaint and make AA Underwriting Insurance Company Limited do the following:

- *Pay Mr and Mrs K £1,565 plus interest at 8% per annum simple from 15 September 2023 to the date of actual payment.*
- *Pay Mr and Mrs K £1,712 towards their additional travel costs.*
- *Pay Mr and Mrs K £250 in compensation for distress and inconvenience.*

I gave both parties until 3 February 2025 to provide further comments and evidence in response to my provisional decision.

AA has said it accepts my provisional decision. Mr and Mrs K have not provided any further

comments or evidence.

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 AA has accepted my provisional decision and Mr and Mrs K haven't provided any further comments or evidence, it remains my view that the fair and reasonable outcome to Mr and Mrs K's complaint is as I set out in my provisional decision.

Putting things right

For the reasons set out in my provisional decision, I've decided to uphold Mr and Mrs K's complaint and make AA Underwriting Insurance Company Limited do the following:

- *Pay Mr and Mrs K £1,565 plus interest at 8% per annum simple from 15 September 2023 to the date of actual payment.*
- *Pay Mr and Mrs K £1,712 towards their additional travel costs.*
- *Pay Mr and Mrs K £250 in compensation for distress and inconvenience.*

My final decision

I uphold Mr and Mrs K's complaint about AA Underwriting Insurance Company Limited and require it to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 13 March 2025.

Robert Short
Ombudsman