

## The complaint

Mr A complains that Automobile Association Insurance Services Limited (“AA”) automatically renewed his breakdown cover and wouldn’t refund him.

## What happened

Mr A had a breakdown assistance policy arranged through AA covering his family. He’d been a customer of AA for about 24 years, and each year his policy renewed in December.

In July 2024 he noticed that his cover had been renewed. He’d been charged about £635 in December 2023, and about £400 in December 2022.

He complained to AA. He said he hadn’t given AA permission to renew the cover or take payment from his bank.

AA said it had taken the money using Direct Debit, as it had done for the previous ten or more years.

It said it didn’t think it’d done anything wrong and it didn’t uphold Mr A’s complaint.

As Mr A remained unhappy, he brought his complaint to this service. He asks for his premiums to be refunded. Our investigator looked into it and thought it wouldn’t be upheld. He thought AA had acted fairly.

Mr A didn’t accept the view. Because he didn’t agree, his complaint has been passed to me to make a decision.

I issued a provisional decision intending to uphold Mr A’s complaint in part:

*It’s very important I start by saying in his response to the view, Mr A has raised another area of complaint about trying to cancel his 2023-24 policy mid-term.*

*He’s said AA told him to keep his policy live as it would affect his complaint, which was with this service, if he cancelled. Although I do appreciate Mr A has complained about AA taking his premiums, I can’t see that Mr A has complained about this specific point to AA. What this means is that I’m not able to consider this point further here.*

*If Mr A remains unhappy about the information he was given when he tried to cancel his cover, he can make a further complaint to AA, and this service in due course if he remains unhappy.*

*In this decision I’m only able to consider the matters already raised by Mr A to AA, and for which it’s given its final response.*

*Having looked at the evidence, I’m proposing to upholding Mr A’s complaint in part, and I’ll explain why I’m proposing to decide this.*

*The file shows me that Mr A contacted AA by phone in late November 2021. He asked it*

about an area of cover, and also his renewal premium. In the call, Mr A tells AA that he always calls it to see if the price can be reduced. AA tell him that the price couldn't be changed and the renewal premium will be taken.

It's important I mention that this was the final time AA contacted Mr A by post, as the following year it changed to an email renewal. Mr A had confirmed his preferred contact method was post.

In October 2022 AA decided to change the way it communicated with Mr A. It emailed him his renewal terms. AA obtained a 'read receipt' showing that the email had been accessed.

In November 2022 Mr A made a claim on his 2021-22 policy.

In December 2022, his policy renewed at a cost of about £400, which was taken by annual direct debit, and again in December 2023 at a cost of about £635.

When Mr A found that his policy had been renewed twice (i.e., into 2024), he contacted AA and made a complaint.

Mr A has also said he spoke with AA and told it he didn't want his policy to be automatically renewed. He wasn't able to say when he'd had this conversation, but he thought it was in about 2020. We asked AA about this and it confirmed it didn't have phone recordings from that time, and its system logs made no reference to Mr A asking for his renewal to not happen automatically.

At this service, our normal approach is to check whether a customer has bought cover twice. Mr A has confirmed he bought a new van, which included roadside cover for him. He also mentioned his wife hadn't had a car for three years. The cover he had was Personal Family, which included cover for him and three family members for whatever car they were in.

And in the conversation with AA in November 2021, he tells AA that he has cover for his van, but is still happy to renew the cover for his family despite his comment about his wife no longer having a car.

Taking this into account, I think it's fair I say that Mr A was content to renew his cover for his family, even though he had cover for himself elsewhere.

During the conversation, it's mentioned that his policy will renew, and Mr A doesn't disagree with this. The cover is an annual policy, so the conversation about the renewal in 2021 was only about 2021-22, but having listened to the call I think it's reasonably clear his policy will be automatically renewed.

I also think it's fair I say that AA sent him his renewal information in 2022. I appreciate his comment that he'd told AA to not renew his cover, but from the information I have I can't agree that AA were told this as there's no evidence on file about it.

I can understand Mr A's concern that AA changed his communication preferences away from post to email during this time as well. I agree this isn't good service of AA, and while I

agree in this case the email it used seems to have been the correct one, I think it's fair I say it would have been better service to tell its customers that it had changed their communications methods by first using the old method to advise of it, rather than the new one to tell them it'd been done.

And I think it's fair I say that this change in communication method may have, ultimately, led

*to part of the subsequent problems Mr A then had.*

*In the phone calls I've listened to, Mr A says his usual way of dealing with renewal is to wait for it to arrive, then call AA to discuss the details. I can't see that he called AA in or around December 2022 in line with his normal approach. This may be because he didn't physically receive a copy of the posted renewal documents, or because he thought he'd already told AA that he wanted the policy to lapse.*

*We think it's a good idea for businesses to use two methods of communicating with a client when dealing with important events in a policy term. In Mr A's case I can only see that AA used one method to contact him at renewal, and that method wasn't the one he expected.*

*I do appreciate the strength of Mr A's feelings about this, but this is an evidence-based service, and I have to be guided by the evidence on file. And it's this evidence that means, on balance, I think I agree with AA's version of events. What this means is that I think AA renewed his policy and took payment in line with the previous years.*

*I also think it's important I say that, having claimed on the policy in November 2022, Mr A should, perhaps, have noticed £400 being paid out to AA from his bank account about a month afterwards (and, subsequently £635 a year later). If he'd noticed, he could then have contacted AA and cancelled his policy.*

*But the critical factor here is that I don't think AA acted fairly by then changing the way it contacted Mr A, to email, without apparently giving him notice about what it was doing. AA has said it has no record of Mr A's communication preferences, but I think by dealing with him by letter for many years, it's established a pattern Mr A was comfortable with. So to change that system, at its wish, to one Mr A wasn't familiar or content with, has, in this case, led to some distress for Mr A.*

*Taking everything into account, I think I need to deal with this case on balance. What this means is that while I think Mr A's policy was set to auto-renew, and I think he should have reasonably been aware of the premiums being taken, I also don't think AA has acted fairly in how it's transferred Mr A from an established communications channel to a new one without checking he was fine to do this.*

*It's shown evidence that the renewal invite was opened, but I can't see that subsequent communications it sent were.*

*So I think AA's actions in how it went about changing its communications with Mr A have caused him some distress, but on balance he also needs to appreciate I think he should have checked his account and noticed the renewal premiums being taken.*

*I've thought about this, and consulted this service's guidelines on compensation, and I think the appropriate compensation should be set at £150.*

## **Responses to my provisional decision**

AA said it agreed with my provisional decision. Mr A thought my provisional decision was also going to deal with his newer complaint about cancelling his latest policy. To clarify this, Mr A needs to continue with his complaint with AA about the service he had while trying to cancel his cover mid-term. If he remains unhappy with its response, then he's likely able to bring his complaint to this service in due course.

Mr A accepted 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.

As both parties agreed with the provisional decision, my final decision and reasoning remains the same.

### **My final decision**

It's my final decision that I uphold this complaint in part. Automobile Association Insurance Services Limited needs to pay Mr A £150 for his distress and inconvenience it caused by changing the communication method it used.

Automobile Association Insurance Services Limited must pay the amount within 28 days of the date on which we tell it Mr A accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 April 2025.

Richard Sowden  
**Ombudsman**