

The complaint

Mr G complains that Automobile Association Insurance Services Limited (“AAIS”) renewed his roadside assistance policy even though it wouldn’t cover his commercial vehicles.

What happened

Mr G has roadside assistance cover with AAIS and has done so for 30 years. During this time, he had cover for cars for himself and his family, as well as his commercial vehicles. He says he’s used his roadside assistance on a number of occasions with no issue.

When he received his renewal in September 2022 there was an offer that if he renewed the following year (2023) he would be able to have the same cover for the same price as the current year. So, Mr G took advantage of that offer which meant if he renewed in 2023 he would have the benefit of the same cover for the same price as in 2022.

AAIS sent him his renewal documents in October 2023. Mr G says he didn’t read them because he was under the impression that he had taken out the exact same cover as the year before, for the same price.

He later became aware that AAIS no longer provided cover for commercial vehicles. So, he contacted AAIS because he was unhappy – he says he was told the previous year that he would have the same cover for the same price, so AAIS shouldn’t be able to change the terms of the offer. Mr G says he feels he’s been misled, and the policy was mis-sold. Mr G’s commercial vehicles haven’t been covered which he says has been stressful and impacted his ability to trade. So, Mr G complained to AAIS – he wants AAIS to refund his premium and wants compensation for the distress and inconvenience caused.

AAIS say commercial vehicles were never covered by personal memberships, but it didn’t always enforce this. AAIS wrote to Mr G on 1 August 2023 with the terms and conditions, but Mr G didn’t review them. In that correspondence, it confirmed vehicles used for private and domestic purposes were covered by the policy, but not those used for commercial purposes. AAIS apologised for the poor service received when Mr G was not made aware that commercially used vehicles were not covered on his membership plan when he contacted it in October 2023.

Mr G wasn’t satisfied with the response from AAIS so referred his complaint to this Service. Our Investigator concluded the policy documents provided to Mr G in August 2023 clearly stated the exclusion for commercial vehicles. She acknowledged the service on the call in October 2023 could have been better but didn’t think the policy had been mis-sold.

Mr G didn’t agree with the Investigator’s view. He said his AAIS cover always covered his commercial vehicles, and he was told he would have the same cover for the same price. He says as a result of not having cover he has had to scale back his business considerably because he was worried for his family in case there was a break down a long way from home.

Our Investigator considered the complaint again and she did think compensation of £150 should be paid to reflect the distress and inconvenience caused.

AAIS didn't agree with the Investigator's view. It said Mr G's cover never provided assistance for commercial vehicles and although this hadn't been enforced until recently, it didn't agree the complaint should be upheld. So, the investigator reviewed the case again and reverted to the original position.

Because the parties don't agree the complaint has come to me to decide.

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 done so, I've decided not to uphold it, and I've explained why below.

I want to reassure Mr G that I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and reflects the informal nature of our service.

I can see from the information provided that Mr G spent significant time and energy in trying to engage with AAIS regarding this matter. And I don't underestimate the stress this has had on him.

Changes to the terms and conditions.

Mr G says he wasn't made aware there was a change to his terms and conditions to tell him AAIS no longer provided assistance for commercial vehicles. I've thought carefully about this. Mr G was provided with a copy of the Insurance Product Information Document (IPID), together with a membership statement detailing the cover under cover of letter dated 1 August 2023.

The IPID confirms no cover is provided for, "*any vehicle that is used at any time for any commercial purpose.*" So, it's clear from the summary document there is no cover for commercial vehicles.

I have also checked the terms and conditions of the policy that were sent to Mr G at the time of renewal. The summary page confirms breakdown cover is for private and domestic use only. And the terms say, "*vehicles that are used at any time for any commercial purposes,*" are not covered.

The statement says, "*changes to your terms and conditions – there have been changes to your Membership Terms & Conditions in the last year effective from 1 October 2023. The enclosed 'Important Information' leaflet provides a summary of these changes as well as details of your cancellation rights.*" The leaflet was titled "*Important Information*", so I think it was clear it contained important information that Mr G needed to pay attention to. Mr G's own evidence is that he didn't review the documents sent to him as he assumed they were the same as the previous year. But I don't think I can reasonably hold AAIS responsible for that. It sent Mr G a copy of the updated terms and conditions with a leaflet titled '*important information*' and I think that was fair and reasonable in the circumstances.

When Mr G's policy was due to renew in October 2023 AAIS sent him a letter on 1 August 2023 with the renewal information. And so, the onus was on Mr G to review and check the documents to ensure the policy was suitable.

The information from AAIS says, "Check your details and the enclosed Terms & Conditions to ensure your cover meets your needs. *If you'd like to make changes or cancel your cover please call us.*" So, Mr G had an opportunity to review the terms of the policy to ensure it was suitable prior to renewal. And to notify AAIS if there were any changes that needed to be made, or to cancel the policy if it wasn't suitable.

Mr G says because the change in the term relating to the cover was so significant AAIS have breached the terms of the contract – since the previous year he was told he would have the same cover for the same price. But I've looked at those previous policies, and they too specifically exclude cover for commercial vehicles and so I don't agree there is a change in the terms of the cover.

Previous cover

Mr G says he didn't review the 2023 documents since they were the same as the previous year.

I have reviewed the terms and conditions of the 2022 policy. In the section headed 'What is not covered' in the general terms and conditions of the policy it says, "*commercial use: we will not provide service to vehicles that are used to carry items or people for money.*"

I have also checked the terms and conditions of policy years 2017 to 2021. And I found as follows;

- 2017 general exclusions "*the transportation of immobilised vehicles where the AA considers this to be part of a commercial activity.*"
- 2018 general exclusions "*the transportation of immobilised vehicles where the AA considers this to be part of a commercial activity.*"
- 2021 general exclusion "*that is the transportation of immobilised vehicles where the AA considers this to be part of a commercial activity.*"
- 2022 "*commercial use: we will not provide service to vehicles that are used to carry items or people for money.*"

The 2022 terms and conditions say, "*we are entitled to make changes at renewal.*" So even if I were to accept there had been a change to the terms, AAIS is able to do this since the terms of the policy allow it to.

Based on what I've seen commercial vehicles were not covered by personal membership in previous years. I do accept Mr G has received roadside assistance for his commercial vehicles so I can understand why he would think his commercial vehicles were covered. However, I'm not able to say AAIS has done anything wrong here since I'm satisfied it told Mr G to review the policy documents, and it made him aware there may be changes to the terms and conditions.

Impact

Mr G wants AAIS to refund his premiums for the 2023 policy year. But since he had the benefit of cover for his personal vehicles and used the service during that period I can't fairly ask AAIS to refund the premiums.

Mr G says he has missed out on between £5,000 and £10,000 worth of earnings because he had to limit his journeys owing to him not wanting to breakdown too far away from home. While I understand why Mr G feels this way, I can't see that he took steps to mitigate any potential losses by taking out cover for his commercial vehicle elsewhere.

AAIS has accepted there were customer service failings in its handling of the claim and have offered Mr G £75 to apologise for the service he received during the phone call in October 2022. I'm pleased to see this acknowledgement from AAIS. If Mr G wants to accept this he will need to contact AAIS directly.

So to conclude, I'm satisfied AAIS acted fairly regarding the sale of the policy and note that it's offered compensation which acknowledges its poor service. I'm therefore not asking AAIS to do anything more in respect of this complaint. Once again, I'm sorry this isn't the outcome Mr G wanted.

My final decision

For the reasons I have given it is my final decision that I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 20 June 2025.

Kiran Clair
Ombudsman