

The complaint

Mr and Mrs H have complained that they have been paying twice for breakdown assistance with the Automobile Association which was sold by Automobile Association Insurance Services Limited (AAISL). One was direct with the AAISL since 1995 and the other was through Mr H's bank account since 2003.

For ease of reference, I shall call the breakdown cover 'AA cover.'

What happened

Mr H said he found out in 2023 from his bank that he also had AA cover through them via his bank account along with other insurances. However, he said he had been an AA member direct with AAISL since 1995.

He believes that AAISL should have known he had this double membership and therefore he believes he is entitled to a refund from AAISL to refund any duplicate payments. He complained to AAISL. AAISL said his direct membership from 1995 provided cover for Mr and Mrs H for Roadside Assistance, Homestart and Relay. His cover through his bank account provided cover for Mr H for Roadside Assistance, Homestart and Relay plus Stay Mobile. It acknowledged that it had recently become aware that people had double AA cover with it. However, its system didn't find the link with Mr H as the addresses had changed over the years.

It noted the extra level of cover was supplied via his bank and the fact that Mrs H had asked for breakdown assistance on two occasions. However, given Mrs H wasn't a member via the bank's provision of AA cover she would not have been entitled to get this assistance from Mr H's bank account.

It also explained that whilst it was the providers of the bank's breakdown cover, it didn't sell or administer it to the bank's customers, as that was done by the bank to include providing Mr H with details of his cover. So, if Mr H was unaware that he held AA cover with his bank, that was something he must direct to his bank. It offered him a refund of his most recent annual membership fee.

Mr H remained dissatisfied, so he brought his complaint to us. Ultimately the investigator didn't think Mr H's complaint should be upheld.

Mr H continued to remain dissatisfied and so his complaint was passed to me to decide. I issued a provisional decision on 14 March, and I said the following:

'I'm not intending to uphold this complaint for further reasons than that of the investigator.'

I fully appreciate and understand Mr H will be very disappointed with my provisional decision. I also thoroughly understand his frustration that he is essentially paying

twice for effectively the same AA cover and his bank charges him for these extra benefits provided.

However, when Mr H's bank account decided to offer him cover for AA cover and indeed any other insurances, it would have been under a duty to tell Mr H all about the extra benefits of his premier account and to detail all the insurances and cover which were included. So, I consider it was at that point that from 2003 that Mr H should have known his bank account was essentially providing his AA cover too. So that begs the question as to why Mr H's bank only told him this in 2023. Mr H should have been aware of all the benefits of his premier account since 2003, as he was being charged a fee to have these benefits.

As time passed, many of those benefits might have changed as regards the varying providers or the extent of the benefit, which also would have meant his bank was under a duty to notify him of any such changes as and when they occurred. So, at all times Mr H's bank should have kept Mr H up to date with the current level of benefits that his bank account gave him. Indeed, only recently Mr H said his bank told him his AA cover under his bank account now provided cover for his family, so it now also includes Mrs H. So that shows me his bank is detailing at least some of the changes to the various benefits his bank account provides.

I don't consider it is reasonable to think that providers of things like travel insurance, mobile phone cover, breakdown assistance, home emergency cover, all of which are available on Mr H's account with his bank, should be checking to see if any of their stand-alone customers might be covered by x or y bank account. I consider it's more reasonable for the relevant bank to inform its customers of the benefits and thereafter for the customers to decide whether they wish to cancel their stand-alone cover on that basis and indeed accept the cover the bank was offering for a fee. I intend to not uphold this complaint for this primary reason.

If indeed it is the case that Mr H's bank never informed him of the benefits provided to him under his premier account for which he would have also paid a fee, then Mr H needs to take that up with his bank directly. Otherwise, I consider it's reasonable that Mr H ought to have been aware he had AA cover from his bank from 2003 onwards. And in that case, it was for him to then make a decision as to whether he wished to continue with his cover direct from the AA or not, consequently.

Other issues

It's clear that Mrs H was only covered under the direct AA cover Mr H had bought from AAISL (until very recently), so she wasn't entitled to any AA cover via Mr H's bank account. And it's clear Mrs H 'used' the direct AA cover on two occasions from AAISL's records in 2019.

I note Mr H says Mrs H hasn't driven for some time so was merely making the call on Mr H's behalf but unless that was told to AAISL when she phoned it, how would it have been aware that a person covered was in fact calling on behalf of another member only? So, I don't consider it's reasonable for the AAISL to have known whether or not Mrs H still drove a car. It also means that essentially Mrs H availed of the direct cover AAISL provided for her use too. Therefore, that would negate any reason for a refund of membership of fees paid as the service was used.

AAISL explained that it is not responsible for the sale or administration of the AA cover Mr H obtained via his bank account. However, AAISL is the provider of Mr and Mrs H's direct AA cover. Another entity is responsible for the sale to banks etc, and it

and the bank are responsible for the administration of the cover via Mr H's bank account. I can only consider AAISL's actions under this complaint as our rules only permit me to deal with one regulated business in each decision. I also have no remit to concern myself with how the AA group of companies organises itself, as that is a matter for the regulator the Financial Conduct Authority (FCA), and not this service.

AAISL also explained that it has a duplicate cover check with the customer's names and postcodes after 2017. However, given Mrs H wasn't mentioned as being on cover by the bank (until very recently) its systems wouldn't have picked it up. It also mentions that addresses detailed on both sets of cover were different at times which again would have meant its system wouldn't have picked it up. And further the cover provided by the bank is more extensive than the cover Mr H bought direct which also would have meant its system wouldn't have picked it up due to that too. Again, I have no remit to detail how AAISL should provide this level of checking as again that is a matter for the regulator, the FCA.

So, to conclude I consider that it's most likely Mr H ought to have been aware from the information provided to him from his bank that he had the benefit of AA cover along with the other insurance benefits provided through his premier bank account. If that isn't the case Mr H needs to direct his complaint to his bank. I can't hold AAISL responsible if indeed it is a fact that his bank didn't inform him of this.

It does remain the consumer's responsibility to check what cover such things like premier accounts might offer as it does include travel insurance, mobile phone insurance and indeed home emergency insurance too which just like AA cover can be bought as stand-alone policies.'

AAISL agreed with my provisional decision. Mr H did not.

I've synthesised what Mr H said to the best of my ability below:

- He asked how can an organization that knowingly receives payment twice for the same product be deemed to be carrying out good business practices, adhering to the Consumer Duty, or is fit for purpose?
- He believes it's a form of theft as surely the right thing to do is to return the overpayment made for the same service twice.
- He said not everyone checks each line of every bank or credit card statement, so we expect institutions like banks, building societies, doctors, and lawyers to put things right if they make a mistake. And also, what about protections for the vulnerable.
- AAISL operates in a regulated arena, so must adhere to the regulations. They also knew their systems were faulty because they are now dealing with people who have paid for cover twice. Consequently, they have breached several FCA regulations including the Consumer Duty.

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 again, I remain of the views I detailed in my provisional decision. I do understand and appreciate that Mr H will remain disappointed.

The Consumer Duty doesn't apply to Mr H's complaint since the date which his bank also supplied his AA cover was 2003. The Consumer Duty only applies to issues which started after 31 July 2023. Therefore, it's not appropriate for me to use the present regulations to assess what AAISL did or didn't do back in 2003. Furthermore 'Treating Customers Fairly' only started in July 2006, so again the same issue applies.

It remains a fact that it was Mr H's bank who decided to offer Mr H the facilities of what is commonly called a 'packaged bank account' for which Mr H had to pay a fee. This permitted Mr H access to varying insurances to include AA cover. It was this decision by Mr H's bank which indeed Mr H accepted, and for which he obviously paid a fee, which caused Mr H to have duplicate cover. Therefore, I consider the duty to inform Mr H of the potential of having something like duplicate cover for AA services or travel insurance, and the other types of benefits his bank account includes, remained the duty of his bank primarily. Legally, the cause of why Mr H had duplicate cover lies in the actions taken by his bank, not AAISL.

As I said in my provisional decision - I don't consider it is reasonable to think that providers of things like travel insurance, mobile phone cover, breakdown assistance, home emergency cover, all of which are available on Mr H's account with his bank, should be checking to see if any of their stand-alone customers might be covered by x or y bank account. I consider it's more reasonable for the relevant bank to inform its customers of the benefits and thereafter for the customers to decide whether they wish to cancel their stand-alone cover on that basis and accept the cover the bank was offering for a fee. This remains my view.

My provisional decision dealt with the other issues Mr H raised and the reasons why AAISL's systems didn't catch his duplicate cover.

So, on this basis I consider that whilst it was regrettable Mr H found himself in the position of having this duplicate cover, the entity whose duty it was to explain to Mr H the cover it was providing him from 2003, was his bank.

My final decision

So, for all these reasons, it's my final decision that I don't intend to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 28 April 2025.

Rona Doyle
Ombudsman