

The complaint

Mr A complains about AA Insurance Services Limited's ("AA") administration of his roadside assistance policy.

What happened

Mr A says that in 2018 his car broke down and he contacted AA for assistance under his policy cover. He says he should've been charged £42 for his vehicle being towed but was charged £82. Mr A says AA sent documents to the wrong address despite having a record of his new address. He says he paid an increased premium for AA's Home Start membership without his knowledge. Mr A also complains that he wasn't made aware of an increase in his premium in May 2023 to £10.21 per month.

AA sent three final response letters. The first in January 2023, another in March and its final letter in December. It sets out the terms of Mr A's policy and that it had provided him with the correct service. It also says that Mr A was sent renewal documents each year. But as he didn't inform it of a change of address these documents were returned undelivered. AA says Mr A has used his membership in 2018, 2019, 2021, and 2022. It says he was therefore aware of the policy he had in place. AA declined to refund any payments relating to the policy upgrade to include its 'Home Start' service.

In its final complaint response AA says much of Mr A's further comments have already been dealt with. It then responds to the price increase at his policy renewal in May 2023. It says an email with the relevant information was sent two months prior to the renewal date. AA says that this confirmed the premium was increasing to £10.21.

Mr A didn't think he'd been treated fairly by AA and referred the matter to our service. Our investigator upheld his complaint. She says the evidence indicates AA was aware of Mr A's address change in 2018. She didn't think it had reasonably informed him of the upgrade to the Home Start policy or the cost involved. She says it should refund the difference in premium from March 2018 up to March 2022, when she thought Mr A was made aware of this change. Our investigator says AA should add 8% interest to this amount and pay him £100 compensation for the distress and inconvenience it caused. Our investigator says the issue relating to towing charges isn't within our remit to consider.

Mr A accepted our investigator's findings. AA says the address and Home Start issues were referred to our service too late. It says this was outside the six-month referral period. It says it doesn't give its authority for our service to consider these issues. Meaning our consideration should be limited solely to the price increase it dealt with in December 2023. As an agreement wasn't reached the matter has been passed to me to decide.

I issued a provisional decision in February 2025 explaining that I was intending to not uphold Mr A's complaint. Here's what I said:

provisional findings

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 my intention is to not uphold Mr A's complaint. I'm sorry to disappoint him. But I'll explain why I think my decision is fair.

We can't consider every complaint that's brought to us. The rules say that, without business consent, I can't consider a complaint which is referred to this service more than six months after the date the business sends its final response letter to the customer. This rule is called "Dispute Resolution rule 2.8.2R (1)". It can be found in the regulator's handbook of rules and guidance (available on the Financial Conduct Authority's (FCA) website).

AA's emailed complaint response dated 2 March 2023 says it sent Mr A's renewal documents to him each year. It says he hadn't informed it of a change of address, which is why this information was returned undelivered. It says it's unable to refund any of the charges for the Home Start upgrade. But explains Mr A can contact its service team if he wants to remove this from his policy. In its email AA says it hopes the matter has been resolved to Mr A's satisfaction. But if not he can refer the matter to our service within six months of the date of its correspondence. It confirms that if Mr A doesn't refer his complaint in time our service won't have permission to consider the matter.

I can see that Mr A responded to AA the same day via email. He says AA isn't telling the truth as it has his new address on record. He then asks if there's a 'higher authority' to which he can refer his complaint. In its submissions to our service AA says it had already given its final response and told Mr A he could refer the matter to our service.

Mr A didn't contact our service until March 2024. This means under the six-month rule he brought his complaint about the address change, the towing charges, and the Home Start upgrade too late. I've not seen evidence of any exceptional circumstances that prevented Mr A bringing his complaint earlier. This means I can't consider these issues in my decision. There was some confusion with our investigator's request to AA. She asked if it gave its authorisation for us to consider the address change issue. But having read its responses, I'm satisfied it didn't give its permission for this to happen. This means I'm not able to include these points in my decision.

The remaining issue I can consider is Mr A's concerns about his premium increasing. AA responded to this point in December 2023. This means Mr A brought his complaint to our service within six months and so within the timeframe specified. I'll focus on that here. AA has supplied its system records to show it sent a renewal email to Mr A on 15 March 2023. It's also provided a copy of the renewal correspondence. This says the monthly cost for Mr A's cover will increase to £10.21 up from £6. The new amount will be collected on or around 18 May 2023. The email also says Mr A may want to shop around to see if he can get breakdown cover at a better price.

Based on what I've read I don't think AA treated Mr A unfairly. He had two months to shop around and contact AA if he didn't want his policy to renew at the higher price. The level at which premiums are set is a decision for the business to make. This isn't something the FCA regulates on. And it's not something we can influence. AA needs to be clear upfront with the cost of any cover being offered. But I'm satisfied from what I've read that it did that here. So, I don't think AA treated Mr A unfairly and I can't reasonably ask it to do any more.

I said I was intending to not uphold Mr A's complaint.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

AA responded to say it had no further comments or information for me to consider.

Mr A responded in some detail. In summary he highlights a payment that he made to AA during a breakdown. He says I haven't read his complaint and supporting evidence. He also says I haven't provided a cogent reason not to uphold his complaint and that my findings are biased towards AA. Mr A describes how AA has taken money from him without his knowledge or agreement.

In his response Mr A provides a further account of the issues included within his complaint. He maintains he didn't request a renewal of his membership of the AA. He also says AA's response in December 2023 to his complaint shows it gave its permission for him to refer his complaint to our service.

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'm not persuaded by the information Mr A provided to change my provisional findings.

In my provisional decision I explained why we're unable to consider complaints that aren't referred to our service within six months of the business's final complaint response. I note what Mr A says about the December 2023 response he received. But AA's response in this letter explains that much of his concerns were addressed previously. It only addressed Mr A's concern that he wasn't told about an increase in his premium.

I've revisited the information Mr A and AA provided. But I'm satisfied that the only issue I'm able to consider here is the premium increase. The remaining concerns were referred to our service too late under the FCA dispute resolution rules. So, although I've carefully considered what Mr A has said, it doesn't change the outcome.

I'm sorry Mr A is disappointed. But I'm satisfied he was informed of the increase in premium. He had a reasonable period in which to seek alternative cover, or to cancel his policy. His other concerns aren't something I can consider. So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 May 2025.

Mike Waldron
Ombudsman