

The complaint

Mr L complains that Automobile Association Insurance Company Limited automatically renewed his policy in 2023 and 2024 without his consent or knowledge.

What happened

In 2022 Mr L took out cover with the AA for £79.00 as he was making some longer journeys for work.

He says he didn't consent for autorenewal.

In 2024 Mr L noticed a debit payment on his credit card for AA of £169.50. He then checked his earlier statements and there was a payment in 2023 for £106.29 also for the AA. Mr L says he has never received any correspondence from the AA about renewals.

Mr L complained to AA but they didn't uphold his complaint and so he brought it to us. One of our investigators looked into Mr L's complaint and he thought although AA hadn't made an error, they should refund Mr L the premiums for 2023 and 2024.

AA disagreed with our investigators view, and so the case came to me to review.

I issued a provisional decision on the complaint. My provisional findings were as follows:

I'm not proposing to uphold Mr L's complaint and I will explain why.

The policy that Mr L has taken out is underwritten by Automobile Association Developments Limited (AADL) but administered by AAISL. We have jurisdiction over AAISL, and so we can look at errors that have been made in the sale and administration of the policy, but we don't have jurisdiction over AADL. It is AADL who are responsible for setting the premiums, and to whom the premiums are paid, and as we have no jurisdiction over them, we can't direct them to return premiums. However, if we think AAISL have acted unfairly in the administration of the claim, we can direct them to compensate Mr L.

So, I've thought about whether AAISL have done anything wrong here.

Mr L set up his policy online with AAISL directly through their website in 2022.

AAISL have provided a screenshot of their payment page, which advises:

"your policy will renew automatically in 12 months time unless you update your renewal preference"

It then offers an option to change the renewal preference, but Mr L didn't choose this option. In the letter sent to Mr L after the policy was taken out it says:

"If you're paying by credit card, we'll automatically renew your membership each

year using the details you gave us, unless you let us know these have changed.”

Mr L didn't make contact with AAISL to change this preference.

And so, I'm satisfied that Mr L was given clear information that the policy would auto renew during the purchase process, and after the purchase and he was also given clear opportunities to opt out and didn't. As such, I can't fairly say that AAISL have made an error in renewing the policy.

Mr L says that he didn't receive any renewal documents, or at least that he wasn't aware that he did. He does, however, say that he receives a lot of emails and so they may have gone unnoticed or been deleted, especially as he wasn't expecting any from the AAISL. I can't fairly say that this is AAISL's fault. They have shown us copies of the letters that have been sent to Mr L both prior to and after the auto renewal for each of the years, and so I'm satisfied that he was sent sufficient notice of the renewals to his specified e mail address. As I don't think AAISL are at fault here, I can't ask them to compensate him to the value of the premiums.

I note that the investigator previously decided that despite AAISL having made no error, he thought that they should refund the premiums. This isn't consistent with our approach. We can only ask a business to put things right if they have made a mistake or acted unfairly. AAISL have done neither here.

They couldn't be expected to have known that Mr L had taken out alternative roadside assistance cover with a different company, and while I appreciate that Mr L didn't know that he was still on cover with AAISL, they had provided him with all the right information about renewal.

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.

AAISL have accepted my decision. Mr L has asked for copies of the renewal documents which we have provided, but he hasn't responded further or told me whether he accepts the decision, so I am making my final decision for the reasons given above.

My final decision

My decision is that I'm not upholding Mr L's complaint about Automobile Association Insurance Service Limited, and so they don't need to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 14 May 2025.

Joanne Ward
Ombudsman