

The complaint

Mr M complains about Automobile Association Insurance Services Limited (AA) and the additional costs he paid during a breakdown recovery.

What happened

Mr M held a breakdown policy which included 'Roadside Assistance' but not 'National Recovery'. Mr M used his Roadside Assistance when his car broke down in August 2024. Mr M says his vehicle couldn't be fixed at the side of the road, so he agreed to pay an additional premium and a surcharge to upgrade his cover and use the National Recovery service. But he says he was then charged an additional mileage cost in order to recover his vehicle home. Unhappy with the process, Mr M complained to AA.

AA considered the complaint and upheld it in part in relation to Mr M's concerns around customer service and the calculation of mileage and they awarded £75 compensation. But they didn't agree that the membership terms and conditions failed to outline that additional costs would occur where requesting a service outside of the purchased policy's core cover. Unhappy with AA's response to his complaint – Mr M brought it to this Service.

An Investigator looked at what had happened. They explained that the AA had addressed five complaint points in their final response to the complaint but four of these were outside of this Service's jurisdiction to comment on. The Investigator said this was because they were about the performance of the contract itself, and this meant we could only consider the complaint point around whether additional charges were highlighted at the point of sale. The Investigator ultimately concluded that they didn't think AA needed to do anything more as they were satisfied the terms were made sufficiently clear.

Mr M did not agree with the Investigator's outcome. He said the fundamental part of his complaint was that he was charged additional costs during his breakdown, and this included mileage charges which he said only applied to people who "joined" at the roadside. Mr M said as he was already a member, this shouldn't have applied to him.

As Mr M has asked for an Ombudsman to consider the complaint, it's been passed 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 reached the same overall conclusions as the Investigator. I do appreciate this will disappoint Mr M, but I will explain why this is.

I should start by explaining what I can, and cannot, consider as part of this Decision. I acknowledge and understand the crux of this complaint is whether Mr M ought to have been charged additional mileage costs on top of his payments to upgrade his AA cover. But I'm unable to comment on how AA dealt with the actual recovery of the vehicle, and I can only

consider the sale of the breakdown cover. This is because the AA's cover is underwritten by firms which meet the criteria for an exclusion in the Regulated Activities Order ('RAO') to apply. And this Service can't look at complaint points about the performance of the contract itself – which includes claims.

As the majority of the points Mr M has raised are on issues I cannot comment on, this means I won't be making a finding on the patrolman's report, the mileage charges incurred, or the option of being dropped at a local garage, as these are claims issues. I appreciate Mr M disagrees with this approach, but while I can appreciate how frustrating this must be for him, I'm afraid I cannot consider a complaint point which isn't within this Service's jurisdiction.

I can see the Investigator has already outlined this approach in some detail and explained to Mr M that this meant he would only be able to consider the complaint point around whether the policy terms were made clear at the time Mr M purchased the policy. I can see Mr M has said this is not a complaint point of his and wasn't included in his complaint form.

while Mr M didn't include the point in his complaint form, I can see that Mr M did outline this issue to the AA in his complaint email and said he didn't feel the information had been set out in the literature supplied to him at the time of purchasing the policy. Mr M also raised concerns over the policy's terms and whether they had been applied properly, as well as his explanation to the Investigator that he feels the marketing literature provided before he took out the policy incentivised him to take out a policy that didn't cover his needs.

Having considered the background complaint, I'm satisfied the issue for me to comment on are whether the terms were sufficiently outlined at the time Mr M purchased the policy as part of this Decision.

The relevant terms

As part of my review of this complaint, I've considered relevant regulators' rules, guidance and standards, and codes of practice. The relevant rules say that AA was obliged to provide Mr M with information that was clear, fair, and not misleading. This approach enables a customer to make informed decisions about how to proceed when purchasing a policy.

Mr M purchased his policy in November 2023 on a non-advised basis, which means he was not provided with any advice on which policy to buy based on his needs. As the Investigator outlined in their findings, the terms relevant to the policy Mr M purchased were available on the AA's website and could be viewed and downloaded prior to purchase.

Mr M says he was sent a direct marketing letter from the AA which he says was incentivising him as an AA insurance policy holder to take out Roadside Assistance for a discounted price of £30. He says this letter stated he would "*never be left stranded*", but this was not the case as he ultimately had to pay extra charges to get his vehicle home.

I do appreciate Mr M's strength of feeling on this point, but I don't consider it reasonable for a consumer to base their understanding of what cover they would be receiving from this letter alone. This is because a policy contains terms and conditions of cover, and I do not think it is reasonable to assume a level of cover for every eventuality.

For example, the specific addition of National Recovery is available as an optional extra. Mr M agrees this wasn't part of his initial cover and he paid to include it at the roadside. And while I can see Mr M feels that, as an existing AA member he shouldn't be charged a mileage cost for using National Recovery, (because he says that's what paying the upgraded premium and surcharge should cover) - from looking at the policy's terms and conditions, I

can see they say that there will be extra charges applied if using National Recovery within the first 24 hours of purchase.

Mr M says that the use of the word “join” means this applies to new members and not existing ones. But by the nature of these being policy terms, this implies somebody has them due to being a member of the AA. And given the National Recovery service is an additional level of cover; I don’t consider it a reasonable interpretation to consider the use of the word “join” to mean as an AA customer in general. Instead, I think it’s reasonable to conclude that this refers to upgrading the relevant part of additional cover. I also think this is supported from information available on the AA website which says:

“If you have AA breakdown cover, but not National Recovery

You’ll need to upgrade your policy to include National Recovery – we’ll charge an upgrade fee, surcharge and cost per mile for using the service immediately.”

I’m therefore satisfied that the relevant information that Mr M would need to pay additional costs for this service was made sufficiently available. It follows that I can’t reasonably conclude that AA acted unfairly here.

I appreciate my decision is not the outcome Mr M was hoping for – but I hope I’ve made it clear why I’ve reached the outcome I have.

My final decision

For the reasons I’ve outlined above, 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 M to accept or reject my decision before 6 June 2025.

Stephen Howard
Ombudsman