

The complaint

Mr M complains that due to an administrative error by Automobile Association Insurance Services Limited (AAISL) he was stopped by the Police for driving without insurance and given a fine and six points on his driving licence. Mr M also says he incurred the cost of two days temporary motor insurance. Mr M says he would like to be reimbursed in respect of the fine and insurance and have the six points taken off his licence.

What happened

Mr M took out a motor insurance policy with AAISL in 2022. In November 2022 Mr M called AAISL to advise he wished to change the vehicle insured under the policy. Although Mr M provided the correct vehicle registration number, it was inputted into AAISL's system incorrectly. Essentially the last letter of Mr M's vehicle registration number was stated as a V when it should have been a Y. Although Mr M renewed his insurance policy with AAISL on at least two further occasions, the last being in February 2024, the error wasn't noted.

In September 2024 Mr M was stopped by the Police for driving without insurance. He says he was given a £300 fine and six penalty points on his driving licence. Mr M also took out temporary motor insurance for two days at a cost of £35.48.

Mr M contacted AAISL to find out what had happened. AAISL said it was an administrative error on its part. AAISL provided an indemnity letter to Mr M confirming he did have insurance in place and his vehicle had been covered since November 2022.

Mr M says he provided the Police with AAISL's indemnity letter but he was told there was nothing they could do as he had accepted the fine. After speaking with AAISL and due to the time limit for the fine about to expire Mr M paid the fine. Mr M says he's been since told by the Police he shouldn't have paid the fine and instead should've gone to court.

Mr M made a complaint to AAISL. AAISL said it was unable to take any further action as it had already provided its indemnity letter. AAISL said Mr M should provide evidence of the fine he'd paid so it could consider the same. And it offered £150 compensation.

Mr M remained dissatisfied, so he brought his complaint to this Service.

Since bringing his complaint to this Service AAISL has offered a further £100 compensation bringing the total amount of compensation to £250. This has been rejected by Mr M.

I issued a provisional decision in April 2025 setting out I planned to uphold Mr M's complaint. I said:

"Mr M has found himself in an unenviable position which I appreciate continues to be a significant source of stress for him, until he can get matters resolved. As there are several points, I intend to deal with each in turn."

Incorrect vehicle registration number

I've listened to the call recording between Mr M and AAISL in November 2022. Mr M states

he wishes to change the vehicle covered under his policy with immediate effect. Mr M provides the correct vehicle registration number. AAISL's advisor provides the make and model details of the vehicle, which Mr M confirms is correct. Whilst the incorrect vehicle registration was added to the system, this coincidentally brought up the same make and model of vehicle as Mr M's. The mistake is on the part of AAISL which it has accepted.

I recognise that after Mr M had spoken with AAISL in November 2022 he'd renewed his policy on two further occasions. At the point of those renewals it wasn't noticed by Mr M that the vehicle registration number was incorrectly quoted. Whilst there is an onus on Mr M to ensure that his details are correct when his policy renews, the difference in the vehicle registration number was one letter. It was quoted as a V instead of a Y and the make and model of the vehicle was correct. I therefore don't think it was unreasonable for Mr M to have overlooked the error.

Police and Letter of Indemnity

In September 2024 Mr M was stopped by the Police for driving without insurance. This was directly as a result of the incorrect vehicle registration number being added by AAISL, meaning, Mr M's correct vehicle registration number wasn't showing on the Motor Insurance Database (MID).

Mr M says he was fined £300 by the Police and six penalty points were added to his licence.

I've listened to call recordings between Mr M and AAISL as Mr M was trying to find out what had happened regarding his policy and the next steps to take. AAISL accept it made a mistake following its call with Mr M in November 2022. It therefore provided Mr M with a letter of indemnity confirming that his vehicle was covered at the time of being stopped by the Police and had been on cover since November 2022.

Despite receiving the indemnity letter and providing this to the Police, Mr M says he has encountered difficulties with the Police. He says he was told by the Police there was nothing they could do as he accepted the fine. After speaking with AAISL to obtain guidance and due to the time limit for the fine about to expire, Mr M paid the fine. Mr M says he's since been told by the Police he shouldn't have paid the fine and instead should've gone to court. I understand Mr M continues to liaise with the Police.

At the time of being stopped by the Police and in the aftermath it's understandable that Mr M was worried as he says he's never been in this situation previously. AAISL has accepted its error and to try and put things right has provided an indemnity letter to Mr M for him to provide to the Police. I therefore don't find that AAISL has acted unreasonably and has done all it can. I don't require AAISL to take any further action in this respect.

Reimbursement of Fine

AAISL has asked Mr M to provide details of the £300 fine he has paid. If Mr M hasn't done so already, he should provide this to AAISL so it can consider the same and raise reimbursement to Mr M in full.

Penalty Points on Licence

This Service is a dispute resolution service and therefore I'm unable to provide Mr M with any legal advice in relation to the six penalty points he has remaining on his licence. Mr M is clearly unhappy that this situation remains and therefore he will need to seek legal advice from a Solicitor. I understand Mr M will be disappointed by this, as this is a large part of his complaint. However, it's not unreasonable for AAISL not to do anything further with regards

to Mr M having the points removed.

Additional Insurance

Mr M says he was required to take out two days temporary motor insurance for his vehicle after being stopped by the Police. Mr M has provided an email showing he purchased two days temporary cover between 7 September 2024 – 9 September 2024 at a cost of £35.48. As Mr M had been advised by the Police he had no insurance for his vehicle, I believe it was reasonable for Mr M to have incurred this cost. I therefore require AAISL to pay £35.48 to Mr M for the insurance costs he incurred.

Distress and Inconvenience

Mr M has received compensation from AAISL in the sum of £150 and it has offered to pay a further £100 bringing compensation to a total of £250.

The impact on Mr M of being stopped by the Police for driving without insurance, must have been very worrying as Mr M has said he has never been in a situation like this previously. And Mr M's dealings with AAISL to try and put things right would have added to that worry. Mr M also has the continuing concern of the penalty points currently remaining on his licence and how he can get these removed. Taking all of this into consideration I believe the compensation payable to Mr M should be increased to £500 in total given the impact on him.

I therefore require AAISL to make a payment for compensation to Mr M of £500 in total, taking into account any sum already paid.”.

My provisional decision therefore said Automobile Association Insurance Services Limited should do the following:-

- Pay compensation to Mr M of £500 in total for distress and inconvenience, less any sum already paid.
- Pay £35.48 to Mr M for two days temporary motor insurance he purchased following being stopped by the Police.
- Upon receipt of proof of payment of the £300 fine by Mr M, reimburse Mr M this amount in full if it hasn't done so already.

AAISL accepted my provisional decision. Mr M responded saying he had phoned a Lawyer who said it could cost up to £2,000 to claim his points back in Court. Mr M wanted to know if AAISL would pay for this.

In light of Mr M's response the complaint has been passed back to me for a final decision.

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 considered the response to my provisional decision from both parties I see no reason to reach a different conclusion to the one reached in my provisional decision. I'll explain why.

Following Mr M's response to my provisional decision I've listened again to the call recording between the parties on 1 October 2024. Mr M explained he had sought guidance from AAISL's legal team as he had been told by the Police, he needed to pay the fine and then appeal afterwards. Mr M said AAISL's legal team told him AAISL should be paying the fine and appealing the points because it was its mistake. Mr M wanted to raise a formal

complaint and speak to someone about dealing with this.

From the call recording on 1 October 2024 (Tuesday) Mr M said he wanted to know if he should pay the fine because it was due to be paid by Saturday and he wanted to know if he didn't pay the fine would a warrant be issued for his arrest. AAISL was asked by Mr M *"should we go ahead and pay it and then get it back from yourselves?"* Mr M was asked by AAISL what the legal team had said in terms of paying the fine and the response was that he should call AAISL. Mr M also told AAISL he was going on holiday on the Sunday and didn't not want to pay the fine and have a warrant out for his arrest. So, I find from the conversation it's clear Mr M wanted this matter to be resolved prior to him going on holiday.

During the call between the parties, AAISL said the decision of whether to pay the fine was completely up to Mr M as it couldn't guarantee its investigation would be completed by the date the fine was due or what the outcome of its investigation would be. But AAISL did say paying the fine *"seems to be the most sensible thing to do"* which in response, Mr M's partner (who was speaking with his permission) said *"ok we will pay it then"*.

I appreciate Mr M says he's never been in this position before and to that extent he was seeking concrete guidance as to what he should do regarding the fine, but that is something he wasn't ever going to get from AAISL. I find AAISL's comments clearly unhelpful but I don't think they alone were pivotal to Mr M paying the fine.

Whilst I'll never know for sure, taking everything into account I'm not persuaded that Mr M still wouldn't have paid the fine of his own volition regardless of what he was told by AAISL – unless it gave him a concrete assurance, which it was never going to be able to do. Mr M was clearly concerned about the fine and the consequences of not paying it with his holiday approaching. So, with that in mind, I'm persuaded to think that any response from AAISL which had a degree of uncertainty about it, wouldn't have satisfied Mr M. And therefore think it's more likely than not he'd have paid the fine.

It's therefore on this basis that I won't be asking AAISL to do anything further. Because I don't hold it responsible for Mr M's decision to pay the fine rather than contest it further with the letter AAISL provided him.

I appreciate Mr M will be disappointed because as I've said previously, the remaining penalty points on his licence forms a large part of his complaint and is clearly something which continues to be a source of worry for him.

Putting things right

Automobile Association Insurance Services Limited should do the following to put things right:

- Pay compensation to Mr M of £500 in total for distress and inconvenience, less any sum already paid.
- Pay £35.48 to Mr M for two days temporary motor insurance he purchased following being stopped by the Police.
- Upon receipt of proof of payment of the £300 fine by Mr M, reimburse Mr M this amount in full if it hasn't done so already.

My final decision

My final decision is that I uphold this complaint. Automobile Association Insurance Services Limited should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 June 2025.

Lorna Ball
Ombudsman