

The complaint

Mr P complained that AA Underwriting Insurance Company Limited (AAUI) failed to repair all the damage to his car when he made a claim under his motor policy.

What happened

Mr P made a claim to AAUI when some slates from a roof fell and damaged his car when it was parked. Further damage happened a day or two later when further roof tiles damaged his car still further and AAUI permitted the damage from both instances to be recorded on the same claim.

AAUI took his car to its approved repairer to assess the damage and costs of repair. In the meantime, it gave Mr P a courtesy car.

Ultimately, AAUI decided that as Mr P's car had a lot of corrosion which wasn't caused in the two incidences of the falling roof tiles, it would pay him a cash in lieu settlement for the repairs of £3,596.52. And on this basis, it then withdrew the courtesy car.

Mr P disagreed as he had been quoted £10,000 more to repair his car. Further when AAUI returned his car the battery was flat plus there were chalk type markings on his car. So, he complained.

AAIU issued its final response letters of 29 August 2024 and 28 January 2025.

In August 2024 it said that it had delayed his claim, so it paid him £200 compensation. It also confirmed the repairs were fully authorised, and the approved repairer would be contacting him shortly.

In January 2025, it said it had investigated his multiple complaints. It reiterated its independent engineer was fully independent. And their expert opinion was that the corrosion on his car was not related to the incidents of the falling roof tiles. It can only pay for the repairs due to the falling roof tiles so it wouldn't be repairing the corrosion.

The corrosion built up over a number of years so wouldn't be covered by the policy. Further the corrosion would compromise the repair its approved repairers could do, so it was better to pay the cash in lieu settlement. And even though Mr P refused it, AAIU has the right to settle any claim as it thinks fit.

The repairer also said it did nothing to the battery to make it depleted, so this is probably likely due to the issue that Mr P left his car stationary for some time, so it didn't hold the repairer responsible for this. However, if Mr P produced a dealership report showing the battery was a result of any actions of the repairer, they would consider it.

As regards the markings left on the car, the repairer did these to highlight the damage, and they are made by water based chalk pens which can be rubbed off easily. AAIU agreed they should have been wiped off before his car was returned and so paid Mr P £100

compensation. It didn't think it had done anything wrong in taking back the courtesy car as it had settled his claim by paying him the cash in lieu payment.

Mr P remained dissatisfied and brought his complaint to us. The investigator didn't think AAUI had done anything wrong.

Mr P remained dissatisfied, so his complaint has 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'm not upholding this complaint. I understand and appreciate Mr P will be very disappointed, so I'll now explain why.

I will detail out as many of the issues that Mr P has raised as much as I can, under separate headings. However, like the investigator explained, I am limited to only those issues covered off by AAUI in the final response letters of 29 August 2024 and 28 January 2025, under the rules by which this service operates.

Damage from the falling roof tiles

There is no doubt Mr P's car was damaged by the falling roof tiles and that this would be considered an insured event under the policy. That means it's something that AAUI would pay for subject to Mr P paying his excess.

I consider it was fair and very much in Mr P's favour that AAUI allowed both instances of the falling roof tiles to be covered under one claim as that saved Mr P paying a second excess. So clearly AAUI did nothing wrong here.

Independent engineers

It's not unusual for many insurers to use the services of independent engineers and/or vehicle assessors to assess the repair costs, or check on estimates provided by approved repairers, or check the quotes sent in by the policyholder and also to assess the approved repairers' workmanship, if a dispute has arisen over that.

Just because the fees of the independent engineers/assessors might be paid by either the insurer or indeed a policyholder like Mr P here, they are nevertheless independent and separate entities and are fully aware of their duties to provide accurate reports which may well be tested in court proceedings too.

So, I see nothing wrong with AAUI engaging the services of an independent engineer in Mr P's claim and subsequent complaints.

Cash in Lieu settlement

Because Mr P's car was first registered in 2001, it is obviously an older car. Again, there is no dispute about this.

The wording in the policy Mr P bought when he chose to insure his car with AAUI permits the insurer to decide how to settle any claim as it thinks fit. This is because the policy terms say the following in the general conditions section:

'The Insurer will be entitled to take over and conduct at the Insurers expense in Your name or in the name of any other person insured by this Insurance Document:

(ii) the negotiation, defence, or settlement of any claim:

(ii) Legal proceedings to recover for the Insurers own benefit any payments made under this insurance You or any other person covered by this insurance must give the Insurer all documentation help and information they may need.'

Under section 2 – Loss or damage under subsection 1, which Mr P has claimed for, the policy says:

'The Insured Car

The Insurer will pay for Loss of or damage to the Insured Car its accessories (excluding audio, satellite navigation and communication equipment) and spare parts kept in or on the Insured Car or in Your private garage by (at the Insurers discretion):

*repairing, or
replacing, or
paying in cash the amount of the Loss or the damage.*

The maximum amount payable will be the Market Value of the Insured Car.'

Both of these clauses are not unusual or significant, as virtually every motor policy will say something similar. It means it's the insurer who makes the decision how a claim will be settled. Obviously, it has to do this fairly and reasonably also. Therefore, on the face of it, I consider there is nothing wrong with AAUI deciding to settle the claim in this way.

From both the Audatex reports and the independent report the cost of the repairs from the falling tiles amounted to £3,596.52 which AAUI paid to Mr P.

Courtesy car retraction

Once any insurer has paid the claim, either by repairing the car or paying a cash in lieu settlement then its courtesy car provision retracts. As AAUI paid Mr P the cash in lieu settlement for the repairs to his car from the roof tiles, then it's no longer under any duty to provide any courtesy car.

This is clearly detailed in the policy:

"Additional benefit - Courtesy car

An AA Comprehensive Car Insurance policy means that following an accident, You will be provided with use of a standard courtesy car while Your Insured Car is undergoing repair, subject to the repair being carried out by Your Insurers approved repairer.

A courtesy car is not available in respect of total loss claims or where the vehicle is stolen and unrecovered, or for accidents occurring outside the UK.

In the event You need to make a claim on Your policy Your AA motor Insurer may instruct an insurer-approved repairer to carry out the repairs.

In most cases, if they do instruct repairs to start, a standard courtesy car will be supplied during the period of the repairs. A standard courtesy car is a category A vehicle, normally a small 3 door, 1 litre hatchback car."

So, I don't think AAUI did anything wrong in retracting the courtesy car as it had paid Mr P's claim given its cash in lieu settlement. Therefore, Mr P's claim was settled so there is no longer any entitlement to any courtesy car.

The corrosion

The independent assessor's report noted the following damage which was not caused by the roof tiles falling on Mr P's car.

- Left hand front bumper pointed out by Mr P, which was from a poor previous repair. Estimated cost £400.
- Left hand rear wheel arch, light to moderate corrosion. Estimated cost £350.
- Right hand rear wheel arch, light to moderate corrosion. Estimated cost £350.

Also, the approved repairer estimated the cost of all non-incident related damage plus the incident related damage and estimated the repair costs of the car would be £11,207.28. However, how that figure is actually arrived at isn't fully detailed and given the car is a 2001 edition I don't consider it's that relevant given the lack of detail and indeed what the independent assessor estimated the corrosion costs above.

All older cars get corrosion sadly. This corrosion was noted at the beginning of Mr P's claim, so I also think that any delay in resolving his claim isn't material to any further corrosion here as Mr P has said.

Mr P's claim is for the repair to the body occasioned by the falling roof tiles. Every motor policy excludes wear and tears issues such as corrosion which occurs over time. Therefore, AAUI is under no duty to repair the corroded parts of Mr P's car.

While I understand why Mr P was concerned about the costs detailed in the approved repairers estimate, I don't find it's material to the damage caused by the falling roof tiles.

Battery depletion issues

I agree with the investigator's analysis of this. The MOTs for Mr P's car show that it doesn't do much mileage from one MOT to the another, as in from June 2023 to June 2024, Mr P's car only did 232 miles. If the car isn't regularly used batteries can drain, and in view of how little Mr P's car is used generally, I don't consider the approved repairers could have done anything to the battery to further deplete it, so I consider that AAUI isn't responsible for this.

AAIU did say that if Mr P produced a main dealer report showing how the approved repairers might have done something to make the battery go flat, then it would consider it. As Mr P hasn't produced that report then I don't consider AAUI needs to consider it further.

Chalk markings left on the car

AAIU has acknowledged that the approved repairer should have cleaned these off before returning the car to Mr P. And it appropriately paid Mr P £100 compensation for it. So, I don't consider it needs to do anything more.

Compensation

AAIU paid Mr P £200 for the delay issues at the beginning of his claim and a further £100 for the chalk marks left on his car. I consider that these compensation amounts are fair as they are in line with our stance on compensation for these types of issues, which is more fully detailed on our website. It is also the level of compensation I might have awarded had AAUI not paid anything.

Conclusion

Given AAUI's settlement of the costs of the damage from the falling roof tiles by paying a cash in lieu settlement, plus it paid a total of £300 compensation for claims delays and the chalk marks left on the car, I consider AAUI has honoured its duty under the policy terms and conditions for Mr P's claim. It is under no duty at all to repair any corrosion to Mr P car as that can't be caused by the damage of the falling roof tiles. Therefore, I consider it doesn't need to do anything more.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 22 July 2025.

Rona Doyle
Ombudsman