

The complaint

Ms N complains about the level of service provided by AA Underwriting Insurance Company Limited following a claim made on her motor insurance policy.

What happened

Ms N's car was damaged in an accident, and she made a claim on her policy. After initially saying the car was a total loss, AA said it was economical to repair. The repairs took ten months to complete, and Ms N was kept in a hire car during this time. But three months after the car was returned to her, Ms N found it needed repairs to the steering rack. Ms N thought this was accident related, and she wanted AA to repair this. She thought AA should have written off her car and she was unhappy with its delays. AA said the steering rack issue wasn't related to the accident or repairs.

Our Investigator recommended that the complaint should be upheld in part. She thought AA was entitled to decide how to settle the claim. And she thought it had reasonably decided that the car was within economical repair. But she thought the delays in completing the repairs were excessive and AA hadn't done enough to provide alternative options to Ms N. She thought it should pay her £200 compensation for this. But she thought AA had provided sufficient evidence to show that the steering rack faults weren't related to the claim.

Ms N replied that she thought AA hadn't physically inspected the steering rack and that this fault was caused by the impact of the accident. She asked for evidence to show that the car had been road tested after the repairs. She thought AA's decision to repair her car had left her financially disadvantaged as the car had depreciated in value.

AA replied that it thought it had repaired the car promptly in the circumstances and didn't need to award compensation. As the parties didn't agree, the complaint has come 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.

I can understand that Ms N wants her position restored to how it was before the accident. And I can see that she has felt frustrated with the delays in repairing her car and AA's decision not to write it off. She has explained that she feels this will cause her a financial loss were she to sell her car. And I can understand her concern about this.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably. And I think AA is entitled by the policy's terms and conditions to decide how to settle Ms N's claim.

I can see that the estimated cost of the repairs was about 63% of the car's pre-loss market value. And I think it's in keeping with industry standards for AA to decide that this made the car economical to repair. So I think its decision to repair rather than to write off the car was fair and reasonable.

But the repairs took about ten months to complete. I accept that this was largely due to circumstances outside of AA's control, such as the supply of parts. And I can see that AA

made regular contact with the repairer to press for completion. But insurers have a responsibility to deal with claims promptly and efficiently. So we expect an insurer to consider other options if there are likely to be long delays in completing repairs so as to not disadvantage consumers.

AA said it decided that a cash in lieu payment instead of repairs wouldn't be fair to Ms N as she would lose her hire car and would have the same problems in obtaining parts to get her car repaired. I think that's fair and reasonable. But when long delays were anticipated, I think AA could have looked at other options such as writing off the car instead. This would have allowed Ms N to replace her car rather than rely on hire.

I think AA's decision to press on with repairs caused Ms N trouble as she was without her own car and she was caused upset as she didn't know when her car would be repaired. The completion date was repeatedly pushed back, which was frustrating for her. Our Investigator recommended that AA should pay Ms N £200 compensation for the impact caused by its lack of support. And I think that's in keeping with our published guidance and so is fair and reasonable.

Three months after Ms N's car was returned to her, she noticed noises when steering her car and she found that her car had a broken tie rod in the steering rack. Ms N thought this was likely caused by the impact of the accident and she told us the repair would cost about £3,000. AA disagreed that this was claim-related as it said the impact had been to the rear of Ms N's car and not to the front and the steering assembly.

As our Investigator has already explained, we're not engineers. We don't assess how or whether damage has occurred. Our role is to consider whether an insurer has reasonably considered the evidence available and justified its decision about repairs.

AA has explained that an Advanced Driver Assistance Systems (ADAS) calibration was carried out on Ms N's car. This included a full check on the alignment of the steering and suspension, and it was carried out without any issues.

AA said the car was sent to a main dealer to:

"...carry out a diagnostic in relation to the windscreen wiper sensor.

They would have to carry out a full diagnostic sweep to detect any malfunctioning components. No mention of any issues with the steering set up."

AA also carried out a pre-alignment check including centralising of the steering rack and checks for worn tie rods, ball joints, control arms, and other suspension and steering components. It listened for unusual noises and for any play in the suspension or steering. It didn't, as far as I can see, physically examine the steering rack. But as the impact wasn't in this area, then I don't think this was an unreasonable decision.

Ms N said her garage had told her the damage could have been caused by an impact. But I can't see that she has provided any expert engineering evidence to counter AA's engineers' view that it was unrelated to the accident due to the location of the impact. So I think AA has reasonably considered the evidence available and has justified its decision that it's not responsible for this repair.

Putting things right

I require AA Underwriting Insurance Company Limited to pay Ms N £200 compensation for the distress and inconvenience caused by its level of service.

My final decision

For the reasons given above, my final decision is that I uphold this complaint in part. I require AA Underwriting Insurance Company Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 27 October 2025.

Phillip Berechree
Ombudsman