

complaint

Mrs G has complained that Automobile Association Insurance Services Limited (AA) restarted her breakdown policy without permission and then automatically renewed when she didn't want it to.

background

In 2009 Mrs G said she asked AA to cancel her policy as she'd got free cover, with another breakdown provider, with the new car she'd bought. AA said as she'd got three months left on her policy it would put it on hold for her.

Mrs G phoned AA in April 2016 when her car battery needed replacing. She's told us that at that time she wanted to use the remaining three months' cover. In March 2017 Mrs G said she opened a letter containing renewal documents from the AA. She said it was only then she found out her policy had reactivated in 2012 and renewed each year.

Mrs G wasn't happy she'd been paying for a policy she said she didn't need as she had a new car that gave her free cover. She said she didn't know her policy would renew automatically and didn't think that was right. She said she'd assumed the letters AA sent were marketing material so hadn't read them.

Mrs G brought her complaint to us. The investigator didn't think AA had done anything wrong but Mrs G didn't agree. She thought AA should refund her premiums and asked for an ombudsman's decision.

my findings

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 going to uphold it.

Mrs G has made a number of points and I'll address what I think are the main issues.

Mrs G said she bought her policy in March 2009 and put it on hold in December 2009 because she had three year's free cover with her new car. She said her policy was reactivated in December 2012 without her knowledge. AA don't have the phone call where it told Mrs G it would put her cover on hold, so I need to decide what I think's likely to have happened.

Screenshots of AA's system show "*membership suspension requested*" in January 2010. And given Mrs G's free cover expired in December 2012, I think it's likely it was agreed that the cover would continue at that point. I can't see anything on AA's system to say Mrs G asked to cancel her policy after her remaining three months cover had expired.

I can see that AA sent Mrs G a letter in November 2012 to let her know her policy would be reactivated in December 2012. It also then sent her a letter every year at renewal to let her know she didn't have to do anything if she wanted her policy to continue. I appreciate Mrs G didn't read those letters but I don't think that's AA's fault. I think it did enough to let her know what was happening by writing to her when it reactivated and at each renewal date.

Mrs G is unhappy that her policy automatically renewed each year as she didn't want it to. I've seen the terms and conditions of the policy that explains the cover will automatically renew unless it's cancelled. And this information was also included in the letters AA sent to Mrs G at renewal each year. So, I think it did enough to let Mrs G know that her policy would automatically renew.

Mrs G said she bought her policy in March 2009 but I can see from AA's records she bought her first policy in May 2008. The letter sent at the time shows Mrs G was due to pay by direct debit and the payment would be taken annually. I appreciate Mrs G doesn't remember agreeing to that method of payment but given that's what's set out in AA's letter to her, I think it's likely that she did. Mrs G's policy automatically renewed in May 2009, so I think she should have been aware that her policy would automatically renew each year.

AA thought Mrs G was aware of her policy because she added extra cover in March 2013 and in 2016. Mrs G said she hadn't chosen to add extra cover in March 2013 and thought AA might have added it on for her for free as a benefit. AA doesn't have the phone call from that time but I can see it wrote to Mrs G to let her know the extra cover had been added. So, even if I accepted Mrs G hadn't asked for the extra cover, my decision would stay the same because I think AA made her aware of it.

Mrs G's told us that she phoned AA in 2016 only to use her remaining three months' cover. I've listened to the phone call and it's clear that Mrs G asked for extra cover and AA said it would add it on free of charge until the renewal date.

Mrs G said the AA's letters since 2013 have the wrong car registration on them. She said that shows she wouldn't have wanted cover as she'd already told AA she'd got a new car. I accept Mrs G no longer owns that car but as the policy covers her and not her car I don't think it matters to her cover that the registration is wrong.

I appreciate Mrs G will be disappointed with my decision but I'm not going to tell AA to refund her premiums.

my final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 17 August 2017.

Sarann Taylor
ombudsman