

complaint

Mr E complains that when he renewed his breakdown repair insurance policy with Automobile Association Insurance Services Limited (AA) he wasn't told of changes he could make to his cover which would have been of benefit to him.

background

Mr E first took out breakdown repair cover with AA in 2012. He explained at the time that he had two cars which only he was insured to drive. He used one in winter and one in summer. The advisor said that cover based on the car rather than the person would be cheaper. Mr E took out a car based policy. When he changed the car he was using seasonally, he told AA and the change was noted on his policy.

Mr E suffered a breakdown in August 2016. He called AA who arranged the recovery of his car. The car which broke down was not the car that was currently covered by the breakdown repair policy, but because they were both the same make of car, and had similar registration numbers, this wasn't initially noticed by AA. Because this car wasn't covered by the breakdown repair policy, Mr E wasn't eligible to claim £500 towards the repair costs.

Mr E then became aware that by paying an additional premium he could change to a person based policy and register both cars under his breakdown repair cover simultaneously. He said that in 2016 he had started using both cars throughout the year. If he had been made aware of this different policy when he renewed his policy in April 2016, he would have changed to this cover. He said AA should have made him aware of this cover, and so should contribute £500 towards the cost of his repairs.

AA didn't agree to this. It said that at renewal its representative had pointed out only one of Mr E's cars was covered for breakdown repair cover. Mr E said he was aware of this but used his cars seasonally - one car in winter and the other in summer. So as Mr E could swap the cars on the policy there was no reason for its representative to promote any different cover. It pointed out that Mr E could have seen the full terms in the terms and conditions booklet.

Our adjudicator didn't recommend that this complaint should be upheld. He said the cover as originally set up reflected the use Mr E made of his two cars as described to AA and his needs at the time. It appeared that the way he used his cars had now changed. So in September 2016 he paid an extra premium so that both cars could be on breakdown repair cover at the same time.

This was something that was always open to Mr E. But at the time of the breakdown in August 2016 the car concerned wasn't the one shown on his breakdown repair cover. So AA didn't have any liability to contribute towards its repair costs.

Mr E responded to say, in summary, that:

- AA had changed the terms of its breakdown repair cover earlier in 2016. It was aware the changed terms would have suited his circumstances and should have advised him at renewal that this changed cover was available. If he had been advised, he would have paid for the extra cover; and
- at the time of the accident the patrolmen told him his car was covered by breakdown repair cover, so he was expecting his claim to be met.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Like the adjudicator, I think that the way the breakdown repair cover was set up at the outset met Mr E's requirements as he explained them at the time. I have listened to a recording of the renewal in April 2016. The representative checks that Mr E knows only one of his cars is on breakdown repair cover. Mr E explains that this is fine for the way he uses his cars. He doesn't ask if any different breakdown repair cover is available.

This was a renewal of a policy Mr E had had for four years. It's clear from the recording that he's confident about the policy and the way it works. So I don't think AA's representative was under any obligation to explain the details of the policy further, or tell Mr E what alternatives were available.

At the time of the breakdown, the car concerned wasn't on the breakdown repair policy. Because both cars were the same make, and their registration numbers differed by only one digit, AA thought at the time the car was covered by breakdown repair cover. It dealt with the recovery of the car in the usual way. But when it realised the true position it wasn't obliged to provide breakdown repair cover, or make an equivalent contribution, for the car.

I think AA has acted reasonably in the way it has dealt with Mr E and don't require it to do anything more.

my final decision

My decision is that I don't uphold this complaint, and make no order against Automobile Association Insurance Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 9 June 2017.

Lennox Towers
ombudsman