

complaint

Mr W has complained that Automobile Association Insurance Services Limited's service to him was poor after he made a claim under his car insurance policy.

background

Mr W made a claim under his car insurance policy through his broker, AA. His car was deemed a total loss and the insurer settled his claim. AA wrote to Mr W to tell him he had 30 days to insure another vehicle in order for his policy to continue.

Mr W says he went on holiday and so he had limited time to buy a replacement car within the 30 days. He asked AA to extend the time but it said no. When he did buy a replacement car, AA told him his insurer wouldn't provide cover as it was an electric car. So his insurer cancelled his policy.

Mr W complained to AA. But AA said it had no control over the criteria of the insurer's underwriter. Because the insurer didn't provide cover for Mr W's replacement car, it had no choice but to offer him alternative cover. It agreed that its '30 day' letter could've been clearer. And it wasn't able to call Mr W as quickly as he would have liked when he complained. AA apologised to Mr W.

Mr W remained unhappy so he brought his complaint to us. He wanted a refund of the premium he paid under the cancelled policy and an apology. He said he felt under pressure to buy a car in order to meet the 30 day deadline. He felt AA was unreasonable as it wouldn't extend the time.

The adjudicator who investigated his complaint didn't recommend it should be upheld. She thought AA had acted reasonably. AA had told Mr W before he bought his replacement car that it could provide a quote, subject to the car being acceptable to the insurer. Mr W didn't provide any details of the car he intended to buy, and so it wasn't until he'd called to give details of the purchased car that AA could check with the insurer.

Mr W asked for a transcript of the relevant call. He didn't recall AA telling him the insurer might not cover his replacement car. The adjudicator provided a transcript to Mr W.

As Mr W didn't agree, the matter has been passed to me to decide.

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 don't intend to uphold it.

AA as Mr W's broker is responsible for selling a suitable policy to Mr W. So when he bought his car insurance policy, this was suitable for the car he had at the time.

When Mr W's car was written off, the insurer had met its obligations under the terms of the policy. Even if a customer pays the premium monthly, the contract with the insurer is for a year. So because the insurer paid a total loss claim under the policy, Mr W owes the full year's premium under the policy.

When Mr W called AA, he said he was hoping to buy another car by the deadline given by the insurer. The agent asked Mr W if he could provide the registration details or as much information about the car so that it could provide a quote. But Mr W wasn't able to at that time. The agent said AA couldn't extend the deadline, but told Mr W that if he got his new car – and *“obviously as long as the vehicle is acceptable to the current insurer, it would just be a straight swap on the current policy, and we'd let you know if its going to be any different price wise.”*

Unfortunately the car Mr W bought wasn't one his current insurer was prepared to provide cover for. While this was no doubt disappointing for Mr W, I don't think AA is responsible for the insurer's decision. Because Mr W didn't check with AA before he bought his car, I don't think there was anything more AA could've done. So I don't think AA has been unreasonable to Mr W.

my final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 March 2018.

Geraldine Newbold
ombudsman