

## **complaint**

Mr P complains that Automobile Association Insurance Services Limited (the AA) renewed his motor insurance policy and other insurance without his consent and took money from his account. He wants a refund with interest and compensation.

## **background**

Mr P said he wrote to tell the AA that he didn't want to renew his three policies. Yet it still renewed them and declined to refund premiums he'd been unable to get refunded by his bank's actions. Mr P provided a postal receipt for his letter of cancellation, but the AA had no record of receiving it.

Our adjudicator recommended that the complaint should be upheld in part. The AA agreed that Mr P had intended to cancel his policies. So it agreed to refund the outstanding amount of premium, £19.32. The adjudicator thought this was reasonable.

But Mr P said that one payment of £75 was still outstanding. This turned out to be the excess payment for a claim for windshield replacement. The adjudicator thought this was correctly applied.

Mr P thought the AA should pay him interest on the amounts it'd deducted. But the adjudicator couldn't see that it had received Mr P's letter of cancellation. So he didn't think this was reasonable.

Mr P also wanted compensation for his trouble and stress. But the adjudicator thought the AA had sent Mr P renewal notifications. He didn't think compensation was needed.

Mr P replied that he accepted the AA's explanation for the £75 deduction. But he thought his proof of postage showed he'd sent the letter of cancellation. He thought he'd been caused trouble and stress by the AA.

## **my findings**

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 Mr P feels frustrated that his letter cancelling the auto-renewal of his policies wasn't acted upon. He then had to contact his bank and the AA to sort this out.

Mr P's bank was able to recover most of his premiums so this didn't cause Mr P any great loss. The AA has now agreed that Mr P intended to cancel his policies. It's offered to refund the outstanding premiums debited from his account, totalling £19.32. I think this is reasonable.

But Mr P thinks the AA should be held accountable for the trouble and stress this matter has caused him. The issue for me to decide is whether the AA made a mistake that warrants a compensation payment. This hinges on whether it received but didn't act on his letter.

I've looked at the policy documents. They say that if Mr P wanted to cancel he should call the AA or write to it at an address. I've looked at the copy of the letter he said he sent, and the address is correct. Mr P has also provided a postal receipt and this shows that he posted a letter to the AA's address when he said he did. So I have no doubt that Mr P wrote to the AA to cancel his auto-renewals.

But I've also looked at the AA's records. I can't see any record or entry that shows that it received Mr P's letter of cancellation. I can't hold the AA responsible for the failings of the Royal Mail. Mr P says that 99% of letters are successfully delivered. But I can't say whether the AA did or didn't receive Mr P's letter. So I can't blame it for auto-renewing his policies.

The AA wrote to Mr P to say that his policies would auto-renew and then it sent him letters confirming that the policies had been renewed. I think Mr P could reasonably have noted that this was contrary to his intentions and made a phone call to correct the matter.

Mistakes happen and some inconvenience is to be expected in life. So I don't think the AA needs to pay Mr P any interest on the small sum it debited from his account or offer him any compensation for having to deal with this matter.

### **my final decision**

My final decision is that I uphold this complaint in part. I require Automobile Association Insurance Services Limited to refund Mr P £19.32 for his debited premium, as it's agreed to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 11 April 2016.

Phillip Berechree  
**ombudsman**