

complaint

Mr R complains that Automobile Association Insurance Services Limited should refund its charges for breakdown repair insurance cover (BRC).

background

Mr R complains that AA applied BRC without his consent – and debited his account for several years.

The adjudicator recommended that this complaint should be upheld in part. She didn't think that AA should refund the premiums. But she said it had provided wrong information about making a claim. So she recommended that AA should pay Mr R £50.

AA agrees with the adjudicator's opinion.

Mr R disagrees. He says, in summary, that AA mis-sold him insurance he didn't need and – since he sold the vehicle it related to – he couldn't claim on.

my findings

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

Where I refer to AA I am referring to Automobile Association Insurance Services Limited and not to any other organisation with a similar name.

There's evidence of telephone contact between AA and Mr R at about the time it set up BRC.

I have no reason to doubt his statement that – at the time – his vehicle was under warranty. And I accept that he didn't see the need to tell AA when - soon afterwards - he sold his vehicle.

But each year AA sent renewal letters and took payments from his account. So I find that he ought reasonably to have known that he was paying for BRC. And Mr R didn't complain until recently - after his vehicle broke down.

I don't think the BRC covered the extent of necessary repair. And Mr R questioned how he had come to be paying for it.

AA has since given conflicting information about whether or not the BRC would've excluded the repair anyway because of the change of vehicle. On balance I don't think the change of vehicle ought to have ruled out the possibility of a successful claim.

With its final response letter, AA sent Mr R a cheque for about £150 as a part refund of the current year's premium. He sent the cheque back. I don't think it was helpful for AA to have said it was upholding his claim – without making clear which parts it was upholding and which parts it wasn't.

As I've found that he ought to have known about the BRC – and could've made a successful claim on it - I don't think it would be fair and reasonable to order AA to refund any more.

But I don't doubt that – by its conflicting information – AA caused Mr R some extra upset and put him to some extra trouble at an already difficult time. I think it's fair and reasonable to order AA to pay Mr R £50 for this.

my final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I order Automobile Association Insurance Services Limited to pay Mr R (in addition to the part refund of about £150) £50 for trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 30 December 2015.

Christopher Gilbert
ombudsman