

The complaint

Mr D complains that Automobile Association Insurance Services Limited (AA) mis-sold him a roadside assistance policy.

What happened

Mr D's van broke down on the motorway. He called AA for assistance. AA sold him a roadside assistance policy and charged him £150 as an emergency joining fee together with a £8.40 monthly premium.

The van was recovered off the motorway but the breakdown patrol driver couldn't repair it. Mr D said he couldn't afford the fee the driver quoted of £1,200 plus a monthly payment of £28 to recover his van the long distance to his home.

Mr D complained that the policy had been mis-sold, saying the breakdown patrol driver hadn't offered to tow his van to the nearest garage. Instead Mr D and his young son were left in a car park. He had to pay for the recovery of his van to a garage near his home.

AA didn't accept it had mis-sold the policy. It had discussed roadside assistance with Mr D and explained this included cover to the nearest repairer, which was suitable for his needs at the time of the call. When the van couldn't be fixed Mr D had wanted recovery to his home and not to the nearest repairer.

Unhappy with AA's response, Mr D came to us.

Our Investigator initially explained to Mr D that we couldn't look at the service provided by the breakdown patrol driver. This is because the benefit offered by the policy of roadside assistance qualifies for an exemption under the Financial Conduct Authority (FCA) regulations and therefore the performance of the policy is not a 'regulated activity'. So, our Investigator explained we were unable to consider a complaint about the performance of Mr D's policy – and what happened during the call out is a complaint about the performance of that contract.

Mr D also asked us to look into a complaint about his policy having been mis-sold. Our Investigator didn't uphold the mis-sale complaint. He concluded that AA had clearly explained the policy cover, which had met Mr D's needs at the time of the call.

Mr D appealed. He said the recovery fee has put him under financial pressure and his wife has been signed off work for stress. He is still paying the monthly premium.

What I've decided – and why

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

I appreciate that Mr D is unhappy with the service provided by the breakdown patrol driver, who he says did not offer to take him and his son to the nearest garage. Our Investigator has correctly explained the reason why we cannot look at his complaint about the roadside

assistance itself.

My decision is confined to Mr D's mis-sale complaint.

I'm sorry to hear of Mr D's current difficulties but I do not uphold his complaint. I'll explain why.

AA was required to give Mr D information that was clear, fair and not misleading so that he could make an informed choice about whether to buy the breakdown assistance policy.

I've listened to Mr D's call to AA. At the time of the call his van had broken down and was on the hard shoulder of the motorway. He asked AA for assistance and explained he was not a member. He explained his aim was to have the van fixed to save the cost of having it recovered to his home.

AA explained that Mr D could pay an immediate £150 to join and quoted the monthly payment for the cover. AA said it would give Mr D limited information at that time and would send the policy terms and conditions by email and by post.

I'm satisfied that AA clearly explained to Mr D the scope of the roadside assistance cover that it sold to him. AA explained that it would need to arrange for the van to be taken to a place of safety first and then would try to fix the van. If the van couldn't be fixed the cover included taking the van, Mr D and up to seven passengers to the nearest repairer.

Mr D specifically explained that he wanted to avoid his van being towed back to his home address if possible. I think AA made it clear that the service it was selling to him was recovery to the nearest repairer to the breakdown site and not recovery to his home address or a garage near to his home address. I think the breakdown assistance cover that AA sold to Mr D met his stated need, which was to be recovered off the motorway with the aim of having his van repaired.

I think that AA gave Mr D information which was clear, fair and not misleading allowing Mr D to make an informed choice to take the cover. So I don't consider AA mis-sold him the policy.

If Mr D does not want the cover any longer, then he should let AA know.

My final decision

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 D to accept or reject my decision before 4 April 2024.

Amanda Maycock
Ombudsman