

The complaint

Mr M complains about how AA Underwriting Insurance Company Limited (“AA”) handled a claim under his car insurance policy.

What happened

Mr M had a motor insurance policy with AA covering his car.

His car suffered damage in June 2023 when a third-party driver reversed into it while stationary. He contacted AA and told it about the collision. But he told it he didn’t want to make a claim until the third party had admitted liability.

AA tried to contact the third-party insurers repeatedly over the next few months. It didn’t get a response. It told Mr M that it would struggle to pursue legal action against the third party because Mr M hadn’t agreed to have his car repaired – in other words AA had no financial amount to recover from the third party.

Mr M’s car was repaired by AA. He wasn’t happy about the way his claim had been handled by AA and he complained.

AA said it didn’t think it’d done anything wrong. It said the third-party insurer didn’t have to respond to it until AA showed it’d paid out for Mr M’s repairs, and those couldn’t happen until he’d given permission.

Mr M remained unhappy and brought his complaint to this service. He complains about having to pay his excess of £600 and that his premium has increased by 300%. He asks that his No Claims Discount (NCD) is reinstated, his excess refunded and his premiums adjusted and refunded.

Our investigator looked into it and thought his complaint wouldn’t be upheld. She thought AA had acted reasonably as Mr M had made the choice to delay his claim for about the first six months, but she also thought AA’s communication with him could have been better.

Mr M didn’t agree with the view.

Because he didn’t agree, this complaint has been passed to me to make a final decision.

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’ve only provided brief details of Mr M’s claims journey above, but I’d like him to know that I’ve read all of the file of evidence I’ve been provided even if I don’t mention it further here. This is in line with the informal nature of this service’s approach.

It’s important I say that under the rules of this service I can only consider Mr M’s complaint until the date of AA’s final response letter to him. Mr M has told this service he doesn’t

accept the view and he will pursue the matter further via legal and other avenues.

This is his right, but as our investigator has already said, Mr M can make a further complaint to AA about other issues with his claim, and bring them to this service in due course if he remains dissatisfied.

Having read the file of evidence I've been provided, I'm not upholding Mr M's complaint and I'll explain why.

I can see from the file Mr M told AA when he notified it about the collision that he didn't want to progress his own repairs until liability had been established. I can also see that AA tried to contact the third-party's insurer repeatedly over the next few months.

Mr M tried to ask AA about its progress and it's my understanding that he didn't receive replies to his enquiries. But AA had told him that it might take 90 days for a response from the third party. Taking that into account, while I understand Mr M's desire for an update, AA had already said that progress may take some time.

As the claim sat 'open' on Mr M's records, it will have showed as being his 'fault' until such time that the third party paid AA's outlay, and this likely would have had an impact on Mr M having firstly to pay his excess, and secondly on his renewal premium.

This is because having a claim of any type is likely to be a factor in calculating a premium, and if the costs aren't fully recovered then an insurer will log it as 'fault', which again is likely to affect a renewal premium. Mr M's No Claims Discount (NCD) may also have been affected.

These actions are common across the motor insurance marketplace and AA has acted fairly.

Once the claim is settled in his favour, Mr M may find that his situation is re-adjusted and he may be able to benefit from a partial premium adjustment.

From the file, it's my understanding that Mr M's repairs have been carried out. I can also see in later correspondence that AA has said it's refunded his excess and the third-party insurer has accepted liability for the collision.

It's clear from Mr M's evidence that he's suffered distress and inconvenience from his claims journey. But looking at the file I have, while I think AA's responses to him could have been better, much of the nearly six-month wait seems to have been caused by Mr M's choice to delay repairs and the consequent slow response of the third-party insurer.

So I can't reasonably say that his distress and inconvenience was the fault of AA and I don't uphold this complaint.

My final decision

For the reasons set out 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 M to accept or reject my decision before 31 July 2024.

Richard Sowden
Ombudsman