

## **The complaint**

Mr and Mrs A's complaint is about RAC Insurance Limited's handling of a key replacement claim they made under their Roadside Assistance Insurance Policy.

## **What happened**

The details of the complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by our investigator for these reasons:

- Having considered everything, I'm not persuaded that I have jurisdiction to comment on RAC's actions involving the tow vehicle as it involves the performance of the contract which is excluded under the Regulated Activities Order. But even if I'm wrong, I don't think that this is relevant to the outcome of the complaint, as all that's left for me to consider here is the impact of RAC's actions to Mr and Mrs A during their claim under the key cover section of their policy:
- As part of their key replacement claim, RAC has said Mr and Mrs A were entitled to £150 worth of cover for onward travel. Due to their distance from home, RAC agreed to increase this to £300 as a gesture of goodwill. RAC also offered a further gesture of goodwill to tow their vehicle which cost around £250. So RAC feels that the £400 it has paid above Mr and Mrs A's policy entitlement is sufficient and didn't agree with our investigator's recommendation of a further £100 for distress and inconvenience.
- Whilst I acknowledge that RAC has made payments outside of the policy terms here, I don't think it has considered the impact of its actions on Mr and Mrs A in terms of distress and inconvenience in line with our general approach. And I'm not persuaded by RAC's argument that the distance Mr and Mrs A travelled from home was the reason they experienced additional detriment.

- I say this because Mr and Mrs A made their claim before midday on the day in question. And the evidence shows that arrangements for Mr and Mrs A's onward travel weren't discussed or agreed internally until approximately 8 hours after the initial call. So, Mr and Mrs A were left waiting in cold weather and incurred additional costs in buying food and drink from a pub 2 miles away. And whilst I don't think RAC needs to compensate them directly for these costs, it's clear Mr and Mrs A incurred some additional distress and inconvenience as a result. Ultimately, due to this delay they were left to make their own arrangements and couldn't get a taxi for a further 2 hours. So, I find our investigator's recommendation of £100 reasonable in the circumstances for this distress and inconvenience.
- I can see RAC has attempted to pay the £300 towards the taxi costs to Mr and Mrs A, but they wanted to wait until a final decision was issued. So, for avoidance of doubt I will include this amount in my award as it hasn't been paid yet.

For these reasons, I uphold this complaint.

### **My final decision**

My final decision is that this complaint is upheld. In order to resolve Mr and Mrs A's complaint, RAC Insurance Limited should:

- Reimburse Mr and Mrs A £300 toward the costs of their taxi fees.
- Pay Mr and Mrs A £100 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs A to accept or reject my decision before 31 March 2022.

Dan Prevett  
**Ombudsman**