

The complaint

Mr K complains about RAC Insurance Limited's handling of a claim under his roadside assistance policy.

What happened

In July 2021 Mr K was travelling through Europe when he was involved in a serious car accident. He contacted RAC and it sent a recovery truck that towed his car to a local garage. He says he was expecting support with onward travel to his destination and for repatriation of his car to the UK. But this didn't happen.

Mr K says the link to the policy terms he was sent by RAC confirm he was covered for these services. The business gave conflicting information over the phone when he called after the accident. Some call handlers say he was covered, whilst others said he wasn't. RAC has since confirmed the policy provides for recovery to a local garage after an accident, but not for the services Mr K has claimed.

RAC says Mr K is referring to an older version of its policy terms. It says the information it provided with his schedule confirms cover is provided in the event of a breakdown not a road traffic accident. It says the cover provided in these circumstances is limited to the recovery of the car and passengers to a local garage.

RAC says the link to its policy terms provided with Mr K's policy schedule is correct. It explains how this is created and included with this document. It says the Insurance Product Information Document (IPID) it sent Mr K highlights what isn't insured.

Mr K didn't agree with RAC's position and referred his complaint to our service. Our investigator upheld his complaint in part. She says conflicting information was provided regarding the policy terms. But she didn't think Mr K would've found a European breakdown policy that provided the cover he wanted in relation to an accident. She noted Mr K's breakdown policy from the previous year didn't provide this cover either.

Our investigator says there was a loss of expectation in the cover Mr K thought was in place. For this she thought it fair that RAC should pay him £200 for the distress and inconvenience caused. RAC thought this was unfair as it had provided the correct policy information to Mr K. It asked for an ombudsman to review the complaint.

It has been passed to me to decide.

I issued a provisional decision in May 2022 explaining that I was intending to uphold Mr K's complaint. Here's what I said:

provisional findings

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

I'm sorry to hear about the car accident Mr K was involved in. This must have been a very distressing time for him and his family. My remit here is to consider whether RAC treated him fairly in handling his claim for assistance under his policy.

I have seen a copy of the email Mr K received from RAC in July 2021 when he took out the policy. The email says:

*"Your RAC European Breakdown Cover Policy Confirmation
Welcome to the RAC: Here are your cover details
You can view the policy booklet which provides full details of our terms and conditions by visiting rac.co.uk/ebcpolicybooklet*

What happens next

We'll post out your Welcome letter, policy schedule and policy booklet. It should be with you in 7 – 10 days. If you are travelling before your documents arrive please print this email which includes your policy number."

Mr K's accident occurred in Europe four days after he had taken this cover. Mr K says he printed out the policy terms and conditions using the web link RAC provided in its email. Having read this he was satisfied that cover was provided for road traffic accidents as well as breakdowns.

I have read the policy terms accessed using the web link RAC sent to Mr K. I have copied the relevant excerpts below:

"Section 5: Onward travel in Europe

We will cover you up to the limit shown on your schedule.

Covered: If your vehicle has a breakdown or a road traffic collision during a journey in Europe and we establish that the repairs cannot be completed within 6 hours, we will help you by making arrangements for the passengers to continue the journey. You can choose either:

- 1. Alternative transport; or*
- 2. Additional accommodation expenses.*

If you have the comprehensive plus level of cover you are entitled to both 1 and 2 above."

And:

"Section 6: Getting your vehicle home

If we attend a breakdown or a road traffic collision in Europe under Section 3 and the vehicle cannot be repaired before your planned return to the UK, we will arrange and pay for:

- 1. Recovery of the vehicle to a single destination of your choice within the UK; and*
- 2. Storage charges for the vehicle whilst awaiting the vehicle to be returned to the UK; or*
- 3. If your vehicle is repaired in Europe, the cost of one person to travel to collect the vehicle by standard class rail or air fare and public transport and a contribution towards room only accommodation up to £50 per day;"*

Also:

"We will take the passengers in the vehicle home under Section 5 (Onward Travel in

Europe).

It is our decision whether to get your broken down vehicle home or have it repaired locally, unless you have comprehensive plus and repair costs exceed £500 in which case you can choose. We will follow your motor insurer's decision whether to get your vehicle home or have it repaired locally following a road traffic collision covered by your motor insurance."

Mr K has the comprehensive cover option, which is confirmed in the email he received. Based on the terms RAC told Mr K applied to his policy, he was covered for onward travel in Europe and for the repatriation costs of his vehicle.

I asked RAC if it could provide a copy of the welcome email it sent that directs Mr K to the terms and conditions that it says replaced the ones detailed above. It says a unique link will have been provided to Mr K for him to log in. This will have taken him to a web page with a link to open the terms and conditions relevant to his policy.

I have read the terms RAC says apply in this case. The terms provide services in the event of a vehicle breakdown. The services in relation to a road traffic accident are limited compared with the previous policy terms and conditions. The new terms say:

"In Europe

If your vehicle cannot be driven due to the following reasons, we will attend and recover your vehicle and passengers to a local garage:

1. a road traffic collision."

RAC says it provided the service required under Mr K's policy by recovering his vehicle and passengers to a local garage. It also refers to the IPID that was sent to Mr K along with his policy schedule. The IPID says:

"This document provides a summary of the key information regarding RAC Breakdown Insurance. Please refer to the full RAC breakdown terms and conditions and your schedule for more information about your chosen cover."

And

"What is not insured? Anything which is not a breakdown e.g. a road traffic collision."

I have thought about whether it was reasonable for Mr K to rely on the terms and conditions that were provided in the link he received from RAC. I note he was travelling a few days after the policy was taken out. So, when he received the email from RAC he clicked on the link at this time and his understanding of the cover provided was based on these terms.

I have no reason to doubt that Mr K thought these terms were applicable to his policy. As the link was sent by RAC immediately after the policy was taken out. The schedule was provided separately to the email Mr K first received. I acknowledge RAC's reference to the information set out in the IPID and that different terms were made available to Mr K. However, he says he had no reason to read through the terms and conditions again, as he had already done this using the link RAC sent him. This seems reasonable.

Mr K decided to make his journey through Europe on the understanding he was covered for onward travel and repatriation costs, should he be involved in a road traffic accident. He says it isn't his fault that the business sent him the wrong terms and conditions. He says he relied on this information to ensure he had the right cover prior to travelling.

In considering all of this I don't think it was unreasonable of Mr K to rely on the policy terms

accessed by the link RAC sent to him in its email. His journey through Europe started a few days after the policy was set up and the email with the link to the terms was received. I think it makes sense that he would want to read the terms as soon as this information was provided. RAC hasn't explained why it sent a link with out of date policy terms. But I don't think Mr K could've been aware this information was incorrect.

Mr K was able to access the new terms through his RAC account at a later date. But I don't think it's fair for the business to rely on these terms. Mr K reasonably relied on the terms accessed by the link it had sent him when the policy was agreed. Because of this I think RAC should reconsider Mr K's claim for onward travel and repatriation costs based on the policy terms accessed through the link it sent him.

It's clear the accident was a stressful time for Mr K and his family. I can understand that he was frustrated and upset RAC didn't provide the service he expected, and that he had to make these arrangements himself. To acknowledge the distress and inconvenience this caused RAC should pay him £200 compensation.

I said I was intending to uphold this complaint and RAC Insurance Limited should:

- reconsider Mr K's claim and the costs incurred for onward travel and repatriation of his vehicle relying on the terms it sent to him in the emailed link: and
- pay Mr K £200 for the distress and inconvenience it caused him.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

RAC says it accepts the provisional decision and provided no further comments.

Mr K also says that he accepts the provisional 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.

As both parties accept, I see no reason to change my provisional findings.

So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that RAC Insurance Limited should:

- reconsider Mr K's claim and the costs incurred for onward travel and repatriation of his vehicle relying on the terms it sent to him in the emailed link: and
- pay Mr K £200 for the distress and inconvenience it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 27 July 2022.

Mike Waldron
Ombudsman