

The complaint

Mr A complains about the way Building Block Insurance PCC Ltd dealt with a claim on his roadside assistance insurance policy and says all of his expenses should have been reimbursed.

Where I refer to Building Block, this includes its agents and claims handlers acting on its behalf.

What happened

Mr A was driving in London when his car broke down. He called Building Block asking for assistance. Mr A was told the level of cover provided with his policy meant a recovery vehicle would be sent out and would tow his car to a garage. He asked about being taken home but was told he lived too far away and a full recovery would only be possible if he paid for it (at a cost of over £900).

Mr A found it very difficult to find any garage nearby that was open as it was the weekend. He made a number of calls to Building Block and in the end it was agreed a recovery vehicle would take his car to a nearby address where he could leave it in a safe place.

Mr A asked about onward travel costs and was told his options were to arrange a hire car at a cost of up to £250 or a taxi up to £40. He asked about taking a train and was told he could also do that, again at a cost of up to £40. He was told to keep receipts. On a later call, he was told he could either make use of train or car hire, or arrange overnight accommodation.

When Mr A later made a claim for a taxi fare of £40 and train ticket of £39 he was reimbursed for the taxi fare only. He complained about this but Building Block said the policy only allowed him to claim up to £40.

Mr A referred the complaint to this service. Our investigator said Building Block should reimburse Mr A's costs including any costs to get back to the car, together with interest, and pay £200 for the distress and inconvenience caused.

Building Block didn't accept the investigator's recommendation and has requested an ombudsman's decision, though it hasn't provided any further comments in support of this.

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.

Industry rules say insurers should deal with claims promptly and fairly and not unreasonably reject a claim. Information provided about the policy should be clear, fair and not misleading.

The 'What is covered' section of the policy terms says it provides:

- *Recovery for you, your vehicle and up to four passengers to your home address or chosen location or;*

- *Onward travel as explained in the onward travel section of this wording*

The 'Onward Travel' section says the customer will be covered for

1. *The cost of alternative second class rail travel (or the equivalent road travel) for the driver and up to 4 passengers to one destination within the United Kingdom. This will also include a return journey for one person to collect the Vehicle upon completion of repairs. OR*
2. *If the Breakdown occurred more than 25 miles from Your Home, We will reimburse You the cost of one night's hotel accommodation, excluding all food and drink, for the driver and up to 4 passengers. This is limited to a maximum of £40 per person or £200 for all persons. OR*
3. *The cost of a suitable self-drive hire car for up to 72 hours, up to a maximum of £250 to allow You to complete Your journey.*
4. *The cost of a taxi fare to transport the driver and any passengers up to a maximum of £40 per person, subject to the total being reimbursed being no greater than that of the total taxi fare.*
5. *The recovery of Your Vehicle and up to four passengers to Your Home address or chosen location*

"Options 2, 3 and 4 are subject to our prior approval. Each of the available options is on a reimbursement basis only and will not be paid for in advance by Us."

So one of the options available was recovery of the vehicle and up to four people to the home address. Mr A was told this could be arranged but it would be at his expense – Building Blocks wouldn't cover the cost. And the cost quoted was over £900. But the terms don't say the customer has to pay for that. If this option is limited to certain distances or subject to customers paying for it themselves, the policy terms should make that clear.

The terms do say if the recovery agent is unable to transport the customer, they can make their own alternative travel arrangements, subject to the policy limits. This indicates that Mr A would need to make his own arrangements if Building Block wasn't able to arrange transport for him, but in this case recovery to his home address was possible.

Building Block has said it doesn't provide a relay service and referred to the distance to Mr A's home. But this isn't set out in the policy terms and there's no exclusion relating to distance.

On this basis I don't think Building Block's refusal to arrange recovery to Mr A's home address was in line with the policy terms or was fair. It could have offered recovery to his home address.

Instead, Mr A had to spend time trying to find a local garage at a weekend when there wasn't one open nearby. He then had to make other arrangements for his car to be stored over the weekend. I've listened to the call recordings and it's clear Mr A found the situation upsetting.

He was also given information about the costs of making his own way home which, although referring to the policy limits, didn't make it clear he could only claim £40 and no more. He was told he could claim £40 for a taxi and when he asked about trains, was told that would also be covered up to £40.

The terms themselves don't limit all claims to £40. Item 1 – train fares – doesn't specify any limit other than it must be second class. And it includes a return journey to collect the vehicle. So Mr A was entitled to the cost of a train back to London to collect his car.

Items 1 – 3 are expressly “either/or”. There’s no “OR” after item 3, which indicates the taxi fare is separate. If Building Blocks intended to limit all claims to £40 and no more, it could have made this clear in the policy terms.

The situation was upsetting for Mr A. He took out the policy for reassurance that he would be covered in this type of situation but instead was given unclear information and put to a lot of unnecessary trouble. If he’d been taken home he wouldn’t have had to travel back to London to collect his car. In the circumstances I think the compensation of £200 would be reasonable.

My final decision

I uphold the complaint and direct Building Block Insurance PCC Ltd to:

- reimburse Mr A’s costs including the costs incurred in returning to the car, together with interest at 8% per year simple from the date he paid those costs to the date of payment; and
- pay compensation of £200 for the distress and inconvenience caused to him

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr A to accept or reject my decision before 25 July 2023.

Peter Whiteley
Ombudsman