

## The complaint

Mr A complains that RAC Insurance Limited (“RAC”) mishandled his claim on a breakdown insurance policy.

## What happened

In 2022, Mr A was living in the UK. He had a van made by a large vehicle maker in about 2015. Mr A had the van covered on a breakdown policy that included cover for driving in Europe. RAC was the insurer responsible for dealing with any claim.

In June 2022, Mr A was working abroad with the van containing work clothing and equipment.

Unfortunately in mid-June 2022, the van broke down in a European city. Mr A called for help under the policy.

Much of the complaint is about the acts or omissions of RAC’s European service providers. As I hold RAC responsible for such acts or omissions, I may refer to them as acts or omissions of RAC.

RAC took the van to an independent garage. After it became clear that the van wouldn’t be fixed that day, Mr A asked RAC for help to get home. He took a taxi to a hotel for the night. RAC paid for the taxi and contributed towards the hotel.

The next day Mr A missed the taxi RAC had sent to the hotel to take him to the airport. So he ended up paying €38.00 for another taxi. He flew back to the UK – paid for by RAC. Mr A left work clothes and equipment in the van.

Mr A sent RAC an email dated 21 June 2022. RAC treated it as a complaint.

On about 22 June 2022, the garage gave an initial diagnosis on the van at a cost of €30.50. The garage quoted over €2,000.00 for repairs. Mr A declined that quote. The garage applied storage charges.

By a final response dated early July 2022, RAC partly upheld the complaint insofar as it related to the missed taxi.

Mr A first contacted us in mid-July 2022.

In August 2022, Mr A paid RAC about £2,500.00 towards the cost to repatriate the van.

In early September 2022, Mr A completed a complaint form.

In late September 2022, Mr A got the van back.

After we began to investigate, RAC acknowledged the delay in getting the vehicle repatriated and made an offer of £150.00 plus the cost of the initial diagnosis €30.50.

The investigator thought that RAC had made an offer that would be fair and reasonable considering the circumstances.

Mr A disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- The garage's quote was open-ended with no figure for total repair. This led to the consequent delays & storage charges.
- At no point did the case move forward without him having to make a series of frustrating and stressful phone calls to a call centre, talking to a different person with no knowledge of the case each time. It took months before being granted access to an email address and a case handler that could deal with the case.

### **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.

The policy terms included the following:

*“Section F. European Motoring Assistance*

*...Assistance includes cover for European Motoring Assistance.*

*Limits of cover*

*The cover under Section F is subject to an aggregate overall limit of £2,500 per call-out and 3 call-outs per policy year, limited to 1 call-out per journey...*

*Section F2: Roadside assistance in Europe*

*Covered*

*If the vehicle breaks down or is involved in a road traffic collision in Europe during a journey, the RAC will send help to either:*

- 1. Repair the vehicle at the roadside. This could be a permanent or temporary repair; or*
- 2. If the RAC are unable to repair the vehicle at the roadside, the RAC will:*
  - a) recover the vehicle and passengers to a local garage for fault diagnosis on the vehicle;*
  - b) pay for the initial fault diagnosis to find the next course of action;*
  - c) contribute towards the garage labour charges up to £150 when the vehicle can be repaired on the same day...*

*Section F4: Getting your vehicle home*

*Covered*

*If the RAC attend a breakdown or is involved in a road traffic collision in Europe under Section F2 and the vehicle cannot be repaired before the drivers planned return to the UK, the RAC will arrange and pay for:*

- 1. Recovery of the vehicle to a single destination of the drivers choice within the UK; and*
- 2. Storage charges for the vehicle whilst awaiting the vehicle to be returned to the UK...*

*Important*

*Following authorisation by the RAC, it can take up to 14 working days for the vehicle to be delivered back to the UK. At busy times and from some countries it may take longer.”*

The policy also covered additional accommodation up to £30.00 per person per day.

In my view, the breakdown and the need to make a claim were bound to cause Mr A some distress and inconvenience including the need to make telephone calls.

From what each of them has said, RAC was unable to repair Mr A's van at the roadside. I can't say that RAC did anything wrong by taking the van to a local garage not franchised by the vehicle maker.

From what the garage later diagnosed, I find that RAC was unable to repair Mr A's van on the same day as the breakdown. So the policy didn't cover any contribution towards the cost of repair.

I don't hold RAC responsible for Mr A's decision to leave belongings in the van rather than to take them with him. So I don't find it fair and reasonable to direct RAC to compensate him for the cost of replacement or additional items.

It's unfortunate that Mr A got in the wrong taxi at the hotel. But – notwithstanding its final response – I can't say that RAC did anything so wrong that it would be fair and reasonable that it should reimburse that taxi fare.

I can't hold RAC responsible for the amount of the garage's repair quote or for the fact that it covered the particulate filter but didn't cover the oil leak. So I don't hold RAC responsible for the delays caused by Mr A's rejection of the quote.

I accept Mr A's statement that he found RAC difficult to communicate with. I accept that he found the process stressful.

Mr A opted for repatriation of the unrepaired van. He was reluctant to contribute to the cost of repatriation. So I don't consider that RAC was responsible for the delay until about 9 August 2022 when Mr A paid the excess of about £2,500.00.

I accept that Mr A was without the van (and its contents) for the remainder of the summer of 2022. But it was a large vehicle that had broken down at a busy time a long way from the UK. The policy terms didn't promise that it would be repatriated within 14 days as a maximum.

The delay until late September 2022 was surprising – even to RAC. But there's not enough evidence for me to say what would've been a reasonable time for repatriation – or how much longer than a reasonable time the repatriation took.

So I don't find it fair and reasonable to direct RAC to compensate Mr A for the months of road tax and van insurance when he didn't have the van.

RAC has given us details of its total costs including the recovery, taxi, hotel, flight and repatriation. Keeping in mind the aggregate policy limit of £2,500.00, I don't find that RAC treated Mr A unfairly by asking him to pay the excess of about £2,500.00.

### **Putting things right**

Through us, RAC has offered to pay Mr A the following sums:

1. cost of the initial diagnosis €30.50; and

2. £150.00 compensation for repatriation delay.

I've thought about directing RAC to pay interest on the sum of €30.50. But it's not clear when Mr A paid that sum and became out of pocket. In any event, the amount of interest would be small. So I won't direct RAC to add interest.

I've identified some shortcomings in RAC's communication as well as the delay in repatriation. I don't under-estimate the extra distress and inconvenience this caused Mr A at an already difficult time for him. That included having to make extra calls and send extra emails.

I've thought about how much I would've directed RAC to pay if it hadn't made that offer. Overall, I'm satisfied that £150.00 is fair and reasonable compensation for the extra distress and inconvenience.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct RAC Insurance Limited to pay Mr A:

1. €30.50 for the cost of the initial diagnosis; and
2. £150.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 May 2023.

Christopher Gilbert

**Ombudsman**