

The complaint

Mr R complains that Inter Partner Assistance S.A. ("IPA") mishandled his claim on a breakdown insurance policy.

Much of this complaint concerns acts and omissions of IPA's service providers. As I hold IPA responsible for such acts or omissions, I may refer to them as acts or omission of IPA.

What happened

Mr R had a home in the United Kingdom. He had a car with a breakdown insurance policy under which IPA was responsible for responding to any claim.

In July 2022, Mr R was in the process of selling his home in the UK.

Mr R also had a holiday home in continental Europe.

Mr R was working in the Middle East. In early July 2022, Mr R flew from the Middle East to the UK. He had a return ticket. Later, he travelled to the holiday home.

Mr R was due to travel back to the UK on 19 July 2022 via a ferry with the car. He had to be back on that day so as to take action the next day in relation to the sale. His return ticket to the Middle East was for a flight on Saturday 23 July 2022. He was planning to return to work on 24 July 2022.

On Sunday 17 July 2022 Mr R left the holiday home with the car full of belongings. He was heading for a hotel nearer to the ferry port. But unfortunately the car broke down a long way from there, near a European city.

Mr R called for help under the policy. After a delay of some hours, a recovery vehicle arrived and took him, his wife and car to a motorway hotel. Mr R and his wife removed some belongings from the car, believing they'd be able to collect the rest the following day. Mr R cancelled his intended hotel. The recovery driver took the car away.

On Monday 18 July 2022, Mr R asked IPA where his vehicle was. But IPA couldn't tell him in time to collect the belongings and catch a ferry.

After speaking with IPA, Mr R took a taxi to the European city's airport and hired a car. The plan was to collect his belongings from his car and take them to the holiday home, before flying to the UK early on 19 July 2022.

But IPA still couldn't tell Mr R where the car was in time to collect the belongings before he caught a flight. So he had to leave the belongings in the car. Mr R and his wife flew to an airport in southern UK. They travelled from that airport by bus to a city near their home, then by taxi home.

On Friday 22 July 2022, Mr R learned that his car needed a spare part that wasn't available near where it was.

He had to spend more time making arrangements to collect his belongings. Mr R had also had to delay his return to the Middle East.

On 26 July 2022, his daughter drove him from home to an airport in the eastern UK. Mr R flew to the European city, picked up a hire car, took his belongings from his car, took some to the holiday home, had an overnight stay in a hotel in the European city and flew back to the southern UK airport with some of the belongings (including some important documents). He took a bus to a city near his UK home. His daughter picked him up and they travelled to his UK home.

On 28 July 2022, Mr R flew back to the Middle East.

By an email dated 20 August 2022, Mr R complained to IPA with details of his costs. Mr R and IPA each adopted a currency conversion rate of £1= €1.17.

By a final response dated early September 2022, IPA offered £250.00 as an apology. It said it was processing a claim for reimbursement of costs.

In mid-October 2022, IPA offered to reimburse £1,521.37 and pay £300.00 compensation.

Mr R brought his complaint to us in early November 2022.

our investigator's opinion

Our investigator recommended that the complaint should be upheld. He thought that Mr R suffered a financial loss because of IPA's poor service, so it was unreasonable for IPA to use the policy terms and conditions to limit its payment. The investigator recommended that IPA should:

1. reimburse Mr R a total of £4,236.20 plus 8% simple interest; and
2. pay him a total of £450.00 compensation.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr R and to IPA on 20 April 2023. I summarise my findings:

I was minded to find it fair and reasonable to direct IPA to reimburse Mr R (in addition to the sums it has already paid and the £1,521.37 it had offered to pay) as follows:

taxi in European city	£ 64.10
petrol for first hire car	£ 50.51
bus from UK airport	£ 56.00
petrol to eastern UK airport	£ 26.25
second hire car	£159.79
petrol for second hire car	£ 40.49

petrol to UK home	£ 4.00
total	£401.14

As Mr R has been out of pocket since at least 26 July 2022, I found it fair and reasonable to direct IPA to add interest at our usual rate.

IPA's failure to communicate the location of his car caused Mr R multiple changes of plan. That came at an already busy time for Mr R, with the jeopardy of losing a house sale. I considered that £450.00 was fair compensation for the distress and inconvenience it caused him.

Mr R was claiming the whole cost of his flight from the UK to the Middle East on 28 July 2022. I considered that he would've had to take such a flight even if IPA had given him an excellent standard of service. So I wasn't minded to find it fair and reasonable to direct IPA to reimburse the cost of that flight.

Subject to any further information from Mr R or from IPA, my provisional decision was to uphold this complaint in part. I intended to direct Inter Partner Assistance S.A. to pay Mr R:

1. £1,521.37 in reimbursement of agreed items of financial loss; and
2. £401.14 in reimbursement of further items of financial loss; and
3. simple interest on the sums of £1,521.37 and £401.14 at a yearly rate of 8% from 26 July 2022 to the date of reimbursement. If IPA considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr R how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
4. £450.00 for distress and inconvenience.

IPA accepted the provisional decision.

Mr R disagreed with the provisional decision in part (relating to the cost of his flight on 28 July 2022). He says, in summary, that:

- Even following the vehicle breakdown, he still intended to catch the flight on 23 July 2022, but it was essential that he recovered the contents of the car.
- He called IPA at least 19 times between 18 and 20 July 2022 to seek an update on the repair of the car.
- IPA promised to call him on 21 July 2022. On that day, IPA became aware that the garage would not repair the car.
- Had they informed him that day, he could have flown out on 22 July 2022, recovered his possessions, returned to the UK the same day and still caught his flight on 23 July 2022. But IPA did not call him that day. So that significant opportunity to resolve the issue was lost.
- He phoned IPA twice on 22 July 2022. The second call convinced him that, if he flew out to the Middle East the following day without securing his possessions, there was a high risk that he would never see them again. He therefore took the decision to delay his return to work.

- He had no choice but to purchase a ticket for 28 July 2022, priced at £2,229.26.
- The airline would only agree to a deferral of the ticket from 23 July 2022 to a flight date after October 2022. He speculatively delayed his ticket to 3 January 2023 without any assurance that he would be able to use it. The airline let him do this without cost, but he lost the seat reservation which he had previously paid for.
- He later told us he could use the ticket on 3 January 2023. He provided the email breakdown of the value of the 23 July 2023 ticket. The beneficial effect of being able to take the flight he deferred to 3 January 2023 was £553.08.
- Directly due to IPAs repeated failings, he suffered the additional cost of £2,229.26 for the flight on 28 July 2022, less the £553.08 value of the deferred flight. He submits that £1,676.18 is a fair and reasonable award for this element of the claim.

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 will concentrate on the items that were in dispute between Mr R and IPA. As I understand it, they were in total as follows:

total claimed	£4,236.22
less offered	£1,521.37
in dispute	£2,714.85

And as I understand it, the items in dispute were in detail (and with some rounding in the conversions to £ sterling) as follows:

cancelled hotel	€ 99.00	£ 84.61
taxi in European city	€ 75.00	£ 64.10
petrol for first hire car	€ 59.10	£ 50.51
bus from UK airport	€186.95	£ 159.79
petrol to eastern UK airport		£ 26.25
second hire car		£ 56.00
petrol for second hire car	€ 47.37	£ 40.49
petrol to UK home		£ 4.00
flight from UK to Middle East		£2,229.26
total		£2,715.04

So I will go through each of those disputed items.

cancelled hotel

The cancellation of the intended hotel for Sunday 17 July 2022 was, in my view a consequence of the breakdown. But the policy didn't cover it in addition to the hotel Mr R used that night. And, in my view, at the time that Mr R cancelled the hotel, IPA hadn't done anything so wrong that it would be fair for IPA to pay for the cancelled hotel in addition to the hotel that Mr R used that night.

taxi in European city

I accept Mr R's statement that the taxi cost €75.00. IPA reimbursed the cost of the motorway hotel and the hire car. So I find it fair and reasonable that IPA should also reimburse the cost of the taxi from the hotel to collect the hire car.

petrol for hire car

I accept Mr R's statement that the petrol cost €59.10. IPA reimbursed the hire car. So I find it fair and reasonable that IPA should also reimburse the petrol cost.

bus from UK airport

IPA reimbursed the flights to the UK on 19 July 2022. So I find it fair and reasonable that IPA should also reimburse the bus from the UK airport to the city near Mr R's home.

petrol to Eastern UK airport

Mr R hasn't got a receipt for the petrol. But he made the journey from home to the eastern UK airport, and I accept that it was 105 miles which at £0.25 per mile was £26.25. IPA reimbursed the flight from that airport back to the European city. So I find it fair and reasonable that IPA should also reimburse that petrol claim.

hire car

IPA reimbursed the flight from the eastern UK airport back to the European city. So I find it fair and reasonable that IPA should also reimburse the hire car.

IPA has made a link between the car hire charges and the storage charges it paid to the garage. I consider that IPA had good reasons to pay the storage charges and I don't see any basis on which it would be fair to set off part of the storage charges against the car hire charges.

petrol for second hire car

IPA reimbursed the flight from the eastern UK airport back to the European city. So I find it fair and reasonable that IPA should also reimburse the petrol for the hire car.

petrol to UK home

IPA reimbursed the flight back to the southern UK airport and the bus to the city near Mr R's home. So I find it fair and reasonable that IPA should also reimburse the small petrol cost from that city to his home.

flight from UK to Middle East – response to the provisional decision

In response to the provisional decision, Mr R has clarified that he is claiming for the cost of the flight he took on 28 July 2022, less the benefit of the flight he had booked for 23 July 2022 but deferred to 3 January 2023.

That claim is on the basis that If IPA had communicated promptly on 21 July 2022, he could've flown out to Europe to recover his possessions from the car on 22 July 2022 before flying to the Middle East on 23 July 2022.

However, it took Mr R two days to recover his possessions in Europe on 26 and 27 July 2022. So I'm not persuaded that he could've done it in one day on 22 July 2022 and got back in time to check in for the flight on the afternoon of 23 July 2022. Also Mr R and his wife were about to move out of their UK home. So they were already busy.

I'm not persuaded that IPA caused Mr R to defer his return to work. I don't find it fair and reasonable to direct IPA to compensate him for his costs of changing his flights back to the Middle East.

Putting things right

Summary of financial losses

I find it fair and reasonable to direct IPA to reimburse Mr R (in addition to the sums it has already paid and the £1,521.37 it has offered to pay) as follows:

taxi in European city	£ 64.10
petrol for first hire car	£ 50.51
bus from UK airport	£ 56.00
petrol to eastern UK airport	£ 26.25
second hire car	£159.79
petrol for second hire car	£ 40.49
petrol to UK home	£ 4.00
total	£401.14

As Mr R has been out of pocket since at least 26 July 2022, I find it fair and reasonable to direct IPA to add interest at our usual rate.

distress and inconvenience

I've found that IPA's failure to communicate the location of his car caused Mr R multiple changes of plan. That included being unable to collect his belongings on 18 July 2022. It also included having to return to the European city to collect the contents of the car and drive them in the hire car to his holiday home before returning to the city, staying overnight and flying home.

That came at an already busy time for Mr R, with the jeopardy of losing a house sale. I consider that £450.00 is fair compensation for the distress and inconvenience it caused him.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Inter Partner Assistance S.A. to pay Mr R (insofar as it hasn't already paid him):

1. £1,521.37 in reimbursement of agreed items of financial loss; and
2. £401.14 in reimbursement of further items of financial loss; and
3. simple interest on the sums of £1,521.37 and £401.14 at a yearly rate of 8% from 26 July 2022 to the date of reimbursement. If IPA considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr R how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.
4. £450.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 10 July 2023.

Christopher Gilbert
Ombudsman