

The complaint

Mr L has complained about Bastion Insurance Company Limited. He isn't happy about the way it dealt with a claim under his breakdown insurance policy.

For ease of reading any reference to Bastion includes its agents.

What happened

Mr L was on holiday with his family and was driving on a country road when his car suddenly broke down, so he made a claim under his breakdown policy. When he called Bastion, it looked into the claim for him and arranged recovery to a local garage. Mr L arranged for a friend to pick his family up and take them back to their holiday let while Mr L travelled with the car to the garage. As it was late in the day when Mr L called Bastion for help the garage was closed when he was dropped off.

After Mr L had returned to his home address having had to hire a car to get home it was established that it would cost more than his car was worth to repair it. And as Mr L lived more than seven hours away from his holiday destination he decided to sell the car to the garage that it had been transported to and use the money it would have cost him to fix his car to buy a new one. It also was expensive to get his car transported and he lived a long way from where his car was recovered to or he would have looked to repair the car himself.

As Mr L wasn't happy he was just taken to a local garage, as opposed to getting the car recovered to his home address, he complained to Bastion about this. It said he was only entitled to £100 as a contribution towards hire car costs in line with the '*Onward Travel*' part of the policy. Unhappy with Bastion's response to his complaint Mr L approached this Service.

Our investigator looked into things for Mr L and partly upheld his complaint. She thought Bastion didn't clearly explain the options that were available to Mr L under his policy when he first called for help. Had Bastion explained to Mr L about the possibility of '*National Recovery*' and provided detail about the '*Onward Travel*' part of the policy she thought Mr L was likely to have acted differently and either got his car transported to his home address or stayed in a hotel under the policy and see if he could get his car repaired before travelling home. So, she thought Bastion should pay Mr L's full hire car costs, petrol costs, contribution towards items Mr L had to leave behind and £250 compensation for the clear stress and inconvenience all this had caused him.

As both sides didn't agree the matter has been passed to me for review.

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 our investigator that the matter should be partly upheld. I know this will come as a disappointment to both sides, but I'll explain why.

I know Bastion feels it has acted fairly here and that it was only obliged to pay £100 as a contribution towards the costs Mr L incurred in hiring a car as outlined in the policy. It says the '*The Onward Travel*' benefit states '*instead of National Recovery We may instead organise one of the following....*' highlighting that this is instead of, not as well as recovering nationally. And points to one of the follow-on points in relation to '*Car Hire Benefit*' which says '*Where available, this may be an equivalent Vehicle at Group A up to a maximum of £50 per day for up to 2 days in total. You must be able to satisfy any requirements of the Vehicle hire company, and You may be responsible for any standard charges such as excess and fuel. A hire Vehicle may only be used under this policy section where we have arranged for Local Recovery of Your Vehicle to a Suitable Garage where repairs are being undertaken.*'"

However, Mr L called for assistance after 4.00pm and the likelihood of getting his car repaired the same day was highly unlikely and by the time he was recovered to a local garage it was closed. So, I think Bastion should have clearly discussed his options with him at that point in time which would have allowed Mr L to make an informed choice about what to do next. The policy does allow for (under 'National Recovery') '*If Local Recovery is not possible at the time of the Breakdown, or Your Vehicle cannot be repaired same day, We may arrange for You, Your Vehicle and up to 4 passengers to be transported to Your home....*'. And it also allows for '*Overnight hotel or bed and breakfast accommodation, up to £75 (including VAT) per person....*'.

At the time of breaking down Mr L didn't have his policy documentation or details with him which the call taker was clearly aware of. And I would've expected Mr L to be given a clear outline of the options available to him (including the full details of both the '*Onward Travel*' and the '*National Recovery*' parts of the policy). Had this have happened I'm satisfied, on balance, that Mr L would have taken different action given the condition of his car at the time of the breakdown and the fact it was very late in the day.

I know Mr L feels he should be paid the cost of his car but I can't be sure he would have been able to fix the car or that he wouldn't have cut his losses and buy another car as he ultimately decided to do. However, I do agree he should be paid his full additional hire car costs and his petrol money as I don't think he would have incurred these additional costs (on balance) had he been properly informed of the options available to him when he first called. I understand that Mr L had to leave items behind because he hired a smaller car than his (which was understandable as he was looking to keep costs down) and so I agree that he should also be reimbursed for these. Mr L has explained he will struggle to evidence his losses here as some items were old but it is only fair that Bastion is provided with proof here so I will leave him to advance this with Bastion.

Finally, it is clear Bastion's failure to clearly communicate the options available to Mr L and reluctance to engage with him after the initial call in a meaningful way has caused a fair degree of stress, frustration, and inconvenience. It must have been very worrying for Mr L to have had to leave his car and some belongings behind when he could have had other options available to him. So I agree that £250 compensation feels fair in the circumstances.

Given all of this, I agree that the fair and reasonable thing to do, in the particular circumstances of this case, is for Bastion to pay Mr L's full hire car and petrol costs (subject to reasonable proof), the cost of the items he left behind (subject to Mr L being able to provide receipts) and £250 by way of compensation.

My final decision

It follows, for the reasons given above, that I'm partly upholding this complaint. I require Bastion Insurance Company Limited to pay Mr L's full hire car costs plus petrol back to his home address (subject to reasonable proof), the cost of the belongings he had to leave behind (subject to receipts) and £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 25 August 2023.

Colin Keegan
Ombudsman