

The complaint

Mr L complains that Helvetia Global Solutions Limited (“Helvetia”) is responsible for mishandling his claim on a breakdown insurance policy.

What happened

Mr L was living in the UK with his partner who was working for a ferry company that gave its staff free crossings. Mr L’s partner had parents living in a distant country in the European Union.

The subject matter of the claim and the complaint is a car of a rare brand and first registered in about 2015. Mr L had the car from at least June 2021 (when DVLA issued the most recent V5 registration document).

In late April 2022, the car passed an MOT test with a recorded mileage of about 63,000.

Mr L took out a breakdown insurance policy that covered Europe. The policy was branded with the name of a breakdown company that administered the policy.

The policy said that it was underwritten by Helvetia Schweizerische Versicherungsgesellschaft in Liechtenstein AG. I wouldn’t usually expect anyone to translate a company name into another language including the translation of the abbreviation “AG” to “Ltd”. Nevertheless, a translation could be “Helvetia Swiss Insurance Company in Liechtenstein Ltd”. Such a company is mentioned on Helvetia’s website as having changed its name in April 2022 to Helvetia Global Solutions Limited. So I consider that Helvetia was the insurer that was ultimately responsible for dealing with any claim.

Mr L and his partner arranged a trip to visit Mr L’s partner’s parents.

From about 14 December 2022 Mr L and his partner travelled (with the car and a friend) by ferry and by road across Europe. After arriving at the family home on about 17 December 2022, the car unfortunately broke down on about 19 December 2022. Mr L contacted the breakdown company. It declined to help, saying that the policy didn’t cover him because he hadn’t purchased a return ticket.

On about 30 December 2022, the car was still broken down in the EU country. The ferry company sent Mr L’s partner a booking confirmation for the return journey. Mr L sent that to the breakdown company.

Mr L complained that the company should meet his claim. By a final response dated 9 January 2023, the breakdown company turned down the complaint.

Mr L brought his complaint to us in late January 2023.

our investigator’s opinion

Our investigator treated the complaint as against the breakdown company.

Our investigator recommended that the complaint should be upheld. He thought that it was not fair or reasonable to decline Mr L's claim.

The investigator said that Mr L had had to pay a £30.00 diagnostic charge from a local garage and a £50.00 charge to tow the car to the garage and back. Mr L lost the use of the car for around thirty days when he would have been entitled to the use of a hire car. Mr L had paid £2,160.00 for the recovery of the car back to the UK. He also suffered some significant distress and inconvenience whilst trying to resolve this matter.

The investigator recommended that the breakdown company should:

1. pay Mr L compensation of £150.00 for the distress and inconvenience of having his claim unfairly declined and the resulting time and frustrations of trying to resolve this; and
2. pay Mr L £300.00 to cover his costs because of the loss of use of the car whilst in Eastern Europe of approximately 30 days; and
3. pay Mr L back the costs of £2,160.00 for the recovery of the car; and
4. pay Mr L back the £30.00 diagnostic charge; and
5. pay Mr L back the £50.00 towing fee; and
6. assess any remaining elements of Mr L's claim in line with the remaining policy terms.

More recently, the investigator treated the complaint as against Helvetia.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr L and to Helvetia on 8 July 2023. I summarise my findings:

The car broke down shortly after arrival in the destination country. The car and its fault were so unusual that it couldn't be fixed in that country at all. And Mr L and his partner were due back at work on Monday 16 January 2023. So Mr L got a van and two drivers to carry him and his passengers and to tow the car back to the UK, where a main dealer fixed it.

I couldn't see how any of those circumstances was connected to his failure to purchase a pre-booked return ticket before the breakdown. So I didn't consider that Helvetia treated Mr L fairly or reasonably by rejecting his claim on that ground.

Subject to any further information from Mr L or from Helvetia, my provisional decision was that I upheld this complaint in part. I intended to direct Helvetia Global Solutions Limited to pay Mr L:

1. insofar as he provides us with receipts or other evidence of payment, £50.00 for towing the car to the garage in the EU; and
2. insofar as he provides us with receipts or other evidence of payment, £2,160.00 for repatriation; and
3. £150.00 for distress and inconvenience.

Mr L has responded to the provisional decision, in summary, as follows:

- The recovery agent provided the details of the garage. He contacted the garage. He arranged for a neighbour who had a towing dolly to tow the car to the garage. The neighbour didn't provide a receipt for payment in local currency equivalent to £50.00.
- The garage identified the problem but were unable to fix it due to not having the necessary computer software and parts.
- His partner's father knew an agricultural machinery business in the local area and spoke to them about them assisting. They had a crew cab van which would seat 5 people and hired the trailer for the car. They recovered the car, him and two passengers home.
- His partner arranged with his employer for the ferry crossing and the return crossing for the two people who brought them home, their van and trailer. The ferry crossing included a night's stay in a cabin along with breakfast paid for by his partner's company as a benefit.
- He has sent us a scanned copy of the handwritten receipt that the gentleman has provided. This included the diesel for the van, the trailer hire, a night each way in a hotel for the two drivers, and meals/food and drinks. The money also included pay for the two drivers for their time. He paid in local currency which, in a recent conversion, works out to be £2,260.79.
- He has been as honest as possible.

Helvetia hasn't responded to 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.

The policy covered roadside assistance and – if the car couldn't be repaired at the roadside – a tow to a suitable workshop. The policy didn't cover a workshop diagnosis or repair.

The policy covered alternative transport in the EU up to £350.00 – on a pay and claim basis. The policy terms included the following:

"Repatriation

Repatriation will be offered on the following basis:

Either

• Repatriation of passengers:

If the vehicle cannot be repaired by your intended return date, we will pay up to £300 per person for you and up to 7 passengers to be transported either to your home address, or if you would prefer and it is closer, your original destination within the Territorial Limits (Europe - West). We will also pay up to £100 towards the cost of alternative transport for one person to return and collect the vehicle once the repairs are complete. The maximum payment for passenger repatriation per approved incident is £2,000.

Or

• Repatriation of passengers and vehicle:

If the vehicle cannot be repaired within 14 days of the breakdown and providing that your intended return date to the UK has passed as evidenced by your original booking documentation, we will pay the cost of:

o getting you, and up to 7 passengers to your home address subject to a limit of £300 per person and £2000 in total.

o getting the vehicle to your home address (or a suitable workshop within 10 miles of your home address) in the Territorial Limits (UK), or if you would prefer and it is closer a repairer of your choice in the Territorial Limits (Europe - West)...

If the total cost of repatriation your vehicle is greater than the current market value of the vehicle, we will deem the vehicle to be an economic write-off and will only offer repatriation of passengers..."

So there was a policy limit of £2,000.00 for repatriation of Mr L and his passengers. The only limit on repatriation of the car was the market value of the car.

But the policy also included the following:

"Additional exclusions applying to assistance in ...Territorial Limits (Europe - West & East)

...7 Cover for trips that do not start and finish within the Territorial Limits (UK) or if a pre-booked return ticket has not already been purchased."

And the Insurance Product Information Document said the following:

"What is not insured?

...

Cover for European trips that do not start and finish in the UK or if a pre-booked return ticket has not already been purchased"

So I'm satisfied that there was a clear exclusion if a pre-booked return ticket hadn't already been purchased.

However, Mr L and his partner were in the unusually fortunate position of not needing to "purchase" a return ticket because they could get a return ticket for free.

In an email dated 19 December 2022, Mr L said that he would book the return crossing about a week before the planned return in January 2023. In his complaint email dated 21 December 2022, Mr L said that - because they had previously lost money on missing pre-booked crossings - he and his partner never booked the return crossing until they were almost at the ferry port. So I don't accept that Mr L had a firm booking for the return crossing before the confirmation on 30 December 2022.

Mr L asked (rhetorically) in his email dated 21 December 2022:

"What difference does it make whether I have booked the return ticket or not. It makes none."

That reminds me that Insurance Code of Practice Sourcebook ("ICOBS") includes the following:

"8.1.2B... a rejection of a consumer policyholder's claim for breach of a condition or warranty ... is unreasonable unless the circumstances of the claim are connected to the breach."

In Mr L's case, the car broke down shortly after arrival in the destination country. The car and its fault were so unusual that it couldn't be fixed in that country at all. And Mr L and his partner were due back at work on Monday 16 January 2023. So Mr L arranged for a van, two drivers and a trailer to carry him and his passengers and to tow the car back to the UK, where a main dealer fixed it. I can't see how any of those circumstances was connected to his failure to purchase a pre-booked return ticket before the breakdown.

So I don't consider that Helvetia treated Mr L fairly or reasonably by rejecting his claim on that ground.

Later he said that he had booked the return crossing through the staff bookings system but that crossings in the New Year hadn't been available on that system. I accept the breakdown company's point that Mr L changed his story about booking the return crossing. I consider that Mr L brought trouble on himself by that change.

Putting things right

Weighing everything up, I've thought about what's fair and reasonable to try to put things right for Mr L.

As it was an unusual car, I don't think that roadside assistance would've provided a diagnosis let alone a repair. I don't consider that Helvetia should pay £30.00 for the garage diagnosis as the policy didn't cover it.

My provisional decision said that I expected Mr L to provide receipts or other evidence of payment (such as bank statements) showing the payments of (or equivalent to) £50.00 and £2,160.00. Subject to that, I found it fair and reasonable that Helvetia should reimburse him as the policy covered a tow to a local garage and repatriation of the car and its passengers.

As Mr L hasn't provided evidence of the £50.00 payment, I won't direct Helvetia to reimburse it.

As Mr L has provided a receipt (albeit handwritten), I accept that he paid 13,000.00 units of local currency for the repatriation. Compared to the more recent conversion of £2,260.79, I find it fairer to adopt the conversion just after the repatriation of £2,160.00.

My provisional decision didn't mention interest. But I've thought about directing Helvetia to pay interest at our usual rate on the £2,160.00. However, that's a matter within my discretion. And – keeping in mind my findings about Mr L's change of story – I don't find it fair and reasonable to direct Helvetia to pay interest.

Mr L couldn't use the car from 19 December 2022 until it was back in the UK and repaired. But by 12 January 2023, Mr L and his passengers were travelling back to the UK in the van for which I expect Helvetia to reimburse him.

The intervening loss of use of the car was due to the breakdown rather than due to Helvetia. Mr L hasn't provided any evidence of paying for alternative transport such as a hire car, taxis or public transport. So I don't find it fair and reasonable to direct Helvetia to pay Mr L for loss of use of the car (or for alternative transport).

As Mr L hasn't mentioned or provided evidence of any other financial claim, I don't direct Helvetia to deal with any such claim.

From the emails, I accept that by its early rejection of his claim - which I've found unfair – Helvetia caused Mr L extra distress and inconvenience at an already difficult time for him and his partner. Helvetia has done nothing to put that right. I find that it's fair and reasonable to direct Helvetia to pay him £150.00 for 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 Helvetia Global Solutions Limited to pay Mr L:

1. £2,160.00 for repatriation; and

2. £150.00 for distress and inconvenience.

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.

Christopher Gilbert

Ombudsman