

The complaint

Mr L complains that RAC Insurance Limited ("RAC") mishandled a claim on a breakdown insurance policy.

What happened

Mr L and his wife live in the UK.

For the year from early April 2023, Mr L had an RAC breakdown insurance policy including the optional extra of cover while in some countries in Europe.

Much of the complaint is about acts, omissions or statements by other businesses on behalf of RAC. Insofar as I hold RAC responsible for them, I will refer to them as acts, omissions or statements by RAC.

Sadly, Mr L's wife's adult son died on about 16 May 2023.

On about 20 June 2023, Mr L and his wife were in one of the countries in Europe that the policy covered. Unfortunately, their vehicle hit something on the road that damaged two tyres and a wheel hub.

Mr L contacted RAC. The damage couldn't be repaired at the roadside. RAC arranged for the vehicle to be recovered to a local garage.

On about 25 June 2023, Mr L and his wife returned to the UK, leaving the vehicle (containing many possessions) abroad awaiting repair.

On about 26 June 2023, RAC sent Mr L an email as follows:

"your vehicle has been towed to this garage: [name and address of garage] we are currently searching for another garage which can accept your caravan and fix it."

On about 4 July 2023, RAC told Mr L that a garage had completed repairs, and that he should collect his vehicle or otherwise get it back to the UK.

RAC declined to repatriate the vehicle to the UK free of charge under the policy.

Mr L complained to RAC that the policy covered repatriation.

By a final response dated 10 July 2023, RAC turned down the complaint. It said that it wouldn't repatriate a roadworthy vehicle.

Unhappy with that, Mr L brought his complaint to us in late July 2023.

our investigator's opinion

Our investigator at first recommended that the complaint should be upheld. She thought that the policy provided cover for the cost of one person to travel to collect the vehicle after repair in Europe. She recommended that RAC should:

1. cover the cost of one person to collect the vehicle, in line with the policy terms set out in section H4.3; and
2. make a payment of £150.00 to Mr L to recognise the distress and inconvenience caused by their delay in providing cover as set out in the policy.

Our investigator changed her view. She didn't recommend that the complaint should be upheld. She thought that - by offering to pay towards Mr L collecting the vehicle - RAC had acted reasonably and in line with the policy terms.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr L and to RAC on 15 January 2024. I summarise my findings:

I was minded that the incident (of hitting something on the road) was a road traffic collision rather than a breakdown. So I wasn't minded that RAC was obliged to arrange repair.

After the road traffic collision and the repair, I wasn't minded that RAC treated Mr L unfairly by declining to repatriate the vehicle under the breakdown policy.

Subject to any further information either from Mr L or from RAC, my provisional decision was that I didn't uphold this complaint. I didn't intend to direct RAC Insurance Limited to do any more in response to this complaint.

As my reasons were significantly different to the investigator's, the decision was provisional, and Mr L had an opportunity to respond.

Mr L disagreed with the provisional decision. He says, in summary, that:

- In 2005, he had to give up work and become his wife's fulltime carer.
- His wife suffers with multiple medical issues.
- He also has a medical issue.
- They later found out that a warmer climate was beneficial for her.
- They were worried about the implications of a possible breakdown abroad.
- Unlike a car or van which can be put on a truck and brought home without being repaired, a caravan must be towed so repairing it is essential for travelling.
- They needed some safety guarantees put in place, in case they encountered any pitfalls, such as having to come home before they could have a breakdown repaired.
- The death of their son was the worst thing that could have happened to them, but it was impossible to travel home until 24 June to arrange his funeral and see to his affairs. So knowing that they had chosen this policy meant it was one less stressful episode.
- The policy states that "if you must return home before the vehicle can be repaired that we will get it home for you," or he could have the option of returning and collecting the caravan himself. The latter being impossible to undertake due to their

circumstances, he had to go for the first option.

- RAC is offering £50.00 a day for him or someone else to return to collect the vehicle, a 2,200- mile return journey plus ferry, fuel costs and hotel or site fees.
- If they were to lose their caravan and all their possessions, it would mean no more holidays and a loss of approximately £17,000.00, which to a couple in their seventies who are on state pension would be left more or less housebound for the few years that they have left and to be unable to carry on with their trips away.
- What the RAC have said would mean they would never have to repatriate a vehicle, even though it states without any ambiguity that if you have returned home before the repairs are completed that they would bring the vehicle home. He and others reading this policy cannot see RAC's reason for saying otherwise, they either repatriate in the circumstances given or they do not.
- More than 2019 one- star reviews of RAC show that he and his wife are not the only people to be duped by this unscrupulous company.
- This is also probably a contravention of Supply of Goods and Services Act 1982.

RAC responded to the provisional decision by saying that it had nothing to add.

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.

From the policy schedule, I see that the policy covered "any vehicle".

The policy terms contained definitions as follows:

*““breakdown”/“break down”/“broken down”
means an event... that stops the vehicle from being driven because of a mechanical
or electrical failure... but not as a result of... road traffic collision...”*

*“road traffic collision”
...means a traffic collision involving a vehicle... that immobilises the vehicle”*

The policy terms also included the following:

*“Section H4: Getting your vehicle, or towed vehicle, home
We will cover you up to the limit shown on your European schedule.
Covered
If we attend a breakdown in Europe under Section H2 (Roadside assistance in
Europe) and the vehicle, or towed vehicle, cannot be repaired before your planned
return to the UK, we will arrange and pay for:
1. Recovery of the vehicle, or towed vehicle, to a single destination of your choice
within the UK; and
2. Storage charges for the vehicle, or towed vehicle, whilst waiting for it to be
returned to the UK; or
3. If the vehicle is repaired in Europe, the cost of one person to travel to collect the
vehicle by standard class rail or air fare and public transport and a contribution
towards room only accommodation up to £50 per day...
It is our decision whether to get your broken down vehicle, or towed vehicle, home or
have it repaired locally.
Not covered*

1. Any costs:
 - a. covered under your motor insurance
 - b. relating to storage once you have been notified that your vehicle, caravan or trailer is ready to collect...
2. We will not take the vehicle, or towed vehicle, back home if:
 - a. it is roadworthy..."

The policy terms also included the following:

"Additional services

...

In Europe

If your vehicle, or towed vehicle, cannot be driven due to the following reasons, we will attend and provide recovery to a local garage but will not pay for specialist resource:

1. a road traffic collision;

2....

3. if your vehicle, or towed vehicle, has a flat tyre.

If the local garage is closed or does not have the correct tyre in stock, requiring it to be ordered, we will provide Additional accommodation expenses under section H3...

In the UK & Europe

1...

2. If your vehicle, or towed vehicle, gets stuck in snow, mud, flood or sand we will attend and assist you if it is safe for us to do so..."

The Insurance Product Information Document ("IPID") included the following summary:

"Additional Services

Assistance following a non breakdown event, for example recovering your vehicle from mud or if you put the wrong fuel in your vehicle

...

European Breakdown Cover

☐ *Roadside assistance in Europe, recovery to a local garage and a contribution towards diagnosis and repairs*

☐ *Alternative transport or accommodation whilst the vehicle is repaired*

☐ *Help getting you and your vehicle home if it cannot be repaired by your planned return date..."*

I've thought carefully about the policy terms and the IPID. Fundamentally, the policy was a breakdown policy. So I wouldn't expect it to cover problems other than a mechanical or electrical breakdown of a vehicle.

In particular, I wouldn't expect a breakdown policy to cover an accident that immobilises a vehicle. I would expect Mr L to have a separate caravan policy if he wished to safeguard the vehicle against accidental damage.

RAC's policy terms are in line with what I would expect in a breakdown policy, save that they also provide "additional services" of recovery to a local garage – in the event of a road traffic collision that immobilises the vehicle or in the event of a flat tyre (when it may also pay accommodation expenses).

I don't under-estimate the inconvenience the incident caused Mr L in difficult circumstances.

However, I consider that the incident (of hitting something on the road) was a road traffic collision rather than a breakdown. So I don't consider that RAC was obliged to arrange repair. In my view, the garage rather than RAC took possession of Mr L's vehicle.

I don't under-estimate the difficulty Mr L faced in arranging collection of his vehicle.

However, after the road traffic collision and the repair, I don't conclude that RAC treated Mr L unfairly by declining to repatriate the vehicle under the breakdown policy.

Response to the provisional decision

Mr L has shared details of his and his wife's medical issues. I haven't recorded the details in this decision because we remove names and other means of identification before we publish it on our website. I've thought about the impact of their medical issues on Mr L and his wife.

I accept Mr L's point that he had a need for insurance before travelling. However, the RAC policy was a breakdown policy. It wasn't insurance against a road traffic collision causing damage to the caravan. Nor was it travel insurance.

I'm sorry for Mr L and his wife's loss of her son. I accept that Mr L and his wife were towing the caravan home as soon as they felt able.

I accept that Mr L and his wife would suffer serious losses if they couldn't get the caravan and its contents back. However, I have to look at the fair application of the terms of the breakdown policy.

I've set out the relevant policy terms. I accept that they included wording about repatriation.

However, I don't accept Mr L's point that RAC would never have to repatriate. The policy covered repatriation or collection of the caravan after a "breakdown" but not after a "road traffic collision".

I accept that Mr L has found negative reviews of RAC. However, they relate to other policyholders. I have to look specifically at his complaint.

I have taken into account the relevant law (including Supply of Goods and Services Act 1982 and later legislation), regulation and good practice. Above all, I've thought about what's fair and reasonable.

Mr L hasn't persuaded me to alter my conclusion that the incident (of hitting something on the road) was a road traffic collision rather than a breakdown.

Conclusion

Overall, I don't find it fair and reasonable to direct RAC to repatriate the vehicle or to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct RAC Insurance Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 19 February 2024.

Christopher Gilbert

Ombudsman

