

The complaint

Mr M has complained RAC Motoring Services failed to honour its renewal terms when he renewed his Roadside Assistance policy.

What happened

Mr M said he has been a member of RAC since 2018. His roadside assistance policy was due for renewal on 10 August 2022, and he said he received the renewal invitation in July 2022. He said he phoned up and spoke to an agent who confirmed his annual policy would be extended by three months and his premium for 15 months would now be £29.99. This was a reduction on the original renewal quote of £77.99. Therefore, he would have a renewal date in November instead of August each year.

However, in July 2023 Mr M said he received another renewal invite from RAC saying his policy would need renewing again automatically on 10 August 2023 instead of November 2023 as he was expecting.

He said he had to spend over 40 minutes on the phone trying to resolve the matter. That agent offered him a reduced renewal price from £41.99 to £23.99 and included the three months extension to November 2024. But Mr M remained dissatisfied, so he raised a complaint.

Ultimately RAC said it had made a mistake. To recompense Mr M, it said it reduced his renewal cover from £41.99 to £23.99 for 15 months cover for that policy year. Plus, it reimbursed him the cost of the three months cover he lost of £7.50, and it paid him £15 compensation for the inconvenience of the phone call he had to make in July 2023 sorting out the extra three months' cover again.

But Mr M remained dissatisfied, so he brought his complaint to us. The investigator was of the view that RAC had done enough to put things right, so she wasn't upholding his complaint. Mr M didn't agree so his complaint has been passed to me to decide.

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'm not upholding this complaint. I'll now explain why.

First, I don't think anything turns on whether RAC actually emailed Mr M in July 2022, or whether it merely updated his account online which did actually show that it had failed to add on the extra three months cover as it agreed in July 2022. This is because RAC has acknowledged that it failed to provide this extra three months cover from the renewal in August 2022 in any event.

This was a simple oversight which RAC has now corrected when Mr M brought it to its attention in July 2023 when he received its renewal invite three months too early.

Mistakes can happen in all areas of financial business and services, and when this occurs this service expects the business to put the consumer back in the same position he would have been in, had the mistake not happened. I consider that the refund of the three months' cost Mr M missed out cover for from August 2023 to November 2023 of £7.50 is appropriate and fair in these circumstances.

I also consider the payment of £15 compensation for Mr M having to make one lengthy phone call to RAC to get the matter sorted out to be fair and reasonable also.

Lastly, I consider the fact that RAC ensured he would receive his further three months cover this year is also fair and reasonable.

All of this, in my opinion, does make adequate and generous recompense to Mr M for the mistake that RAC made. I have no power to fine or punish RAC for making a mistake in the first place as that is not in my remit and our rules don't permit us to do this. So as RAC has put Mr M back in the position that he should have been in as far as that was possible and therefore discharged its duty to Mr M, there is nothing further for me to consider here.

My final decision

So, for these reasons, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 April 2024.

Rona Doyle
Ombudsman