

The complaint

Mr M complains that Helvetia Global Solutions Ltd declined him cover under the single trip breakdown policy that he purchased for his trip abroad.

What happened

Mr M took out a breakdown recovery policy with Helvetia to cover his holiday abroad which he intended to be from 7 July to 8 August.

On 7 July 2023 Mr M started his journey to Europe on his holidays. He broke down at the shuttle terminal in Dover on 7 July and he called Helvetia to help with recovery.

Helvetia asked Mr M to provide his outbound and return tickets to validate the policy. Mr M advised them that he hadn't yet booked his return ticket, so he was advised by the call handler that he wasn't eligible for recovery under the terms of the policy.

Mr M was then able to get his car started again, and he was able to continue his journey and so recovery wasn't required.

After arriving in Europe early on 8 July, Mr M purchased his return ticket for 1 August 2023 and continued on his journey. Unfortunately, he broke down again several hours later on 8 July.

Mr M again contacted Helvetia for assistance. He was able to now provide a return travel ticket, but Helvetia told him that as this was purchased after he left the UK, and after the first claim, he was still excluded from assistance.

They also said that as the fault with the car appeared to be the same issue, it wouldn't be covered under provisions relating to pre-existing issues.

Mr M was able to get his car to a garage, but they were unable to repair it, and so he says he had to abandon his car abroad and arrange for it to be scrapped, because the quote for repatriation that Helvetia gave him, combined with the cost of the repairs to his car would have exceeded the value of the car and so it wasn't worth it. He says this has all caused disruption to his holiday.

Mr M complained to Helvetia but they said they had fairly applied the terms of the policy. Mr M remained unhappy and brought his complaint to us.

I issued a provisional decision on the complaint. My provisional findings were as follows:
I've looked at the policy terms, and thought about whether they have been applied correctly, and if so whether the outcome was fair and reasonable for Mr M. Having done so I am proposing to uphold this complaint and I will explain why.

The initial claim

Mr M first contacted Helvetia when he broke down at the shuttle terminal as he was leaving the UK. Helvetia asked him for evidence of his pre booked return, which he couldn't supply as he hadn't booked his return journey at that point. Mr M has explained to us that he had to be back in the UK by 1 August, but he hadn't booked a return as he wanted to remain flexible and may have chosen to come back to the UK by a different ferry route.

Helvetia have relied on the policy exclusion on page 7 of the policy document to refuse assistance. It says:

Additional exclusions applying to assistance in Territorial Limits (Europe West and Territorial Limits (Europe East & West)

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.

Mr M argues that the exclusion is an either/or exclusion and that it should be enough that he intended his journey to start and finish in the territorial limits, he shouldn't also have to prove that he had pre booked a return, as if that was the intention of the provision, it would say "and".

*While I can see why he has this view, I disagree. This term is a policy exclusion term, and so I think the correct application is that Helvetia can exclude the claim if either the trip doesn't start or finish in the UK, **or** the return journey hasn't been pre booked.*

However, I don't think that this policy exclusion has been properly applied in Mr M's case for different reasons. The additional exclusion is specific to where the "assistance" is required - requiring Mr M to provide a return ticket if the "assistance" is in the Territorial Limits (Europe West) and Territorial Limits (Europe East & West)". In the definitions of the policy, Territorial Limits (Europe West) doesn't include the UK.

At the time that the first claim was made, Mr M was still in the UK – not in the Territorial Limits (Europe West) and so I don't agree that this exclusion applies, and Mr M should have been covered under the policy regardless of him not having a return ticket booked.

I also think that if Helvetia were going to interpret the policy as providing no cover when there was no prebooked return, then as soon as they were made aware that Mr M hadn't booked a return ticket, they should have told him that the policy was effectively void and no subsequent claim would be accepted.

However, they didn't, and Mr M bought a return ticket the following morning (8 July) to ensure that he was covered by the policy - but Helvetia have said in their submission that this wouldn't be accepted because it was booked after the first claim. This means there in their view, there would have been no circumstances in which Mr M could have made a valid claim under the policy. Had he been told this, Mr M may have made different choices and alternative arrangements.

The second claim

Mr M contacted Helvetia again on the afternoon of 8 July when his car broke down again. He had travelled several hundred miles from the location of the original breakdown, and so the car was clearly drivable again.

Helvetia again declined assistance saying that although Mr M had booked the return journey, it wasn't pre booked and so the claim was still being declined.

They also told him on the call that as the call out was for the same fault and the original fault was reported before the purchase of the return ticket, it wouldn't be covered unless the car had been taken to a garage for checking.

I can't see that there is any requirement in the policy for the return journey to be booked before the consumer leaves the UK, as long as it was pre booked before the claim is made. However, I can see that there is an exclusion relating to claims for the same mechanical issue.

In the General Exclusions of the policy it says that

"Any subsequent callouts for the same or similar fault/symptoms related to a previous claim which has been made within the last 28 days, will be refused or attended on a PAYG basis, unless your vehicle has been fully repaired at a suitable workshop, declared fit to drive by the recovery operator or is in transit to a pre-booked appointment at a suitable workshop."

I appreciate that the first claim was declined, but it was still a claim, and as both claims related to the car not being able to start, I think it's fair to say that they were for a similar fault, and I think excluding cover under this term is fair as it's likely these faults were related to the same issue. I haven't seen any evidence that Mr M had the car checked out by a garage in between.

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.

Both Mr M and Helvetia have responded. Both have accepted my decision, and so I am making my final decision for the reasons outlined above.

Putting things right

I've thought about how to put matters right given that I don't think Helvetia have applied the policy terms fairly in respect of the first claim, but they have in respect of the second. I can't direct them to remedy their actions now, and as most of Mr M's out of pocket expenses related to the second claim, it wouldn't be fair to direct Helvetia to pay those either.

So I think that the best remedy would be to direct Helvetia to refund the premium paid by Mr M and make an award for the distress and inconvenience caused by Helvetia's failure to allow the first claim and for the incorrect information given in the first call.

So to put things right, Helvetia should pay Mr M:

- A refund of the premium paid
- £150 for the distress and inconvenience caused

My final decision

My final decision is that I am upholding Mr M's complaint about Helvetia Global Solutions Ltd and directing them to put things right as above

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 June 2024.

Joanne Ward
Ombudsman