

The complaint

Mr A has complained about the poor service he received when he sought assistance in Europe following a breakdown of his car. Mr A holds breakdown assistance cover with RAC Financial Services Ltd trading as RAC Insurance.

What happened

In August 2023 Mr A and his family travelled to Europe for a short trip in their car. Unfortunately Mr A's car showed an engine warning light and so he contacted RAC for assistance.

Mr A complained about a number of issues which impacted his and his family's journey and return home on 31 August 2023. In summary he said RAC had failed to provide travel assistance to enable them to meet their planned return ferry. He was very unhappy with the time it took for RAC to book his car in for repairs. Mr A told RAC his eldest daughter had a health condition which had been made worse by the stress caused.

On 15 September 2023 Mr A returned to Europe to collect his car as this was the date given for the repairs to have been completed. But when he arrived, the garage told him they had discovered a further issue and needed to order another part. As the garage didn't know how long it would take for the part to arrive, RAC agreed to arrange for Mr A's car to be repatriated home. Mr A had to pay for the garage repairs that had been carried out so far.

When Mr A's car was returned to him on 23 October 2023, he said there were personal belongings left in a bag that was missing.

Mr A wanted RAC to meet the costs he paid for a hire car when he and his family returned to the UK while waiting for their car to be repaired – and later repatriated. He wanted compensation for the distress and inconvenience caused by RAC's poor service, delay and loss of personal belongings.

RAC agreed its European agent had at times provided a poor service. But it said the costs to assist Mr A exceeded the policy limit of £2,500 by over £1,000. So to resolve his complaint, RAC agreed not to ask Mr A to pay the additional amount, which under the policy he would have been expected to pay.

RAC said it was responsible for a minor delay in repatriating Mr A's car – but said the majority of the delay was caused by Mr A not paying the garage repair fees until two weeks later – on 15 October 2023. RAC said it wasn't responsible for personal belongings left in the car – it had checked with the garage in any event but they said it didn't see the bag in the car.

Our Investigator thought RAC had made errors – but that its decision to waive additional costs Mr A would have otherwise had to pay above the claim limit – was fair and reasonable. Mr A provided this service with evidence that he paid the garage repair fees 11 days before RAC said he had – on 4 October 2023. RAC had made Mr A aware of the fee on 29

September 2023. So he said he had paid the fee promptly and hadn't contributed to a delay in the repatriation.

Mr A said they missed the ferry a day before because of RAC's errors in arranging travel to the port. Had RAC dealt with their request for travel assistance properly, a large proportion of the £2,500 limit wouldn't have been spent on additional hotel accommodation and train fares. And so he doesn't feel it is fair that he has received no compensation or contribution toward hire car costs as a result of delays and poor service caused by RAC. He said he needed a car to take his daughter to medical appointments.

So Mr A wanted an ombudsman to decide.

I issued a provisional decision on 10 April 2024. I thought RAC should pay Mr A £250 compensation and reimburse him for the costs of a hire car for 14 days.

Mr A accepted my provisional decision. RAC didn't respond. So the case has been passed back 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.

As I haven't received any new information to consider, my final decision is along the same lines as my provisional decision.

There's no dispute that RAC's Europe agent at times provided a poor service. It failed to provide Mr A and his family with a taxi in time from their hotel to reach a train to the port. It believed there was a later train to take them to the port, but there wasn't. This was discovered while Mr A was in the taxi on the way to the train station with his family after 8pm. So Mr A and his family missed the overnight ferry they were originally booked to leave on. Mr A said he and his wife were due to return to work later the following day. He has provided a copy of messages he sent to his employer on 30 August 2023 explaining that he would be late returning to work.

RAC arranged for Mr A and his family to stay in hotel accommodation and take a train the following morning, which brought them back to the UK later that day. Mr A explained to RAC – and to us – that his eldest daughter lives with a chronic health condition and was very unwell on the second day of their three day trip. So the delay in returning home added to the family stress.

RAC's notes show that on 14 September 2023 it told Mr A that repairs would be completed on his car for the following day, but Mr A was advised to wait until he was notified that his car was ready for collection on 15 September 2023 before deciding to travel to collect it. Mr A contacted RAC on 15 September 2023 to say he had arrived in Europe, but the garage advised it had found another issue.

From 18 September to 22 September 2023 there was back and forth between Mr A and RAC as Mr A wanted his car to be repatriated and RAC initially said Mr A would need to pay the costs to do this – as his claim limit had been exceeded. But on 22 September 2023 RAC agreed to pay for repatriation. Mr A needed to pay for the car repairs before repatriation.

I don't agree with RAC that Mr A made payment for the garage repairs on 15 October 2023 and that he contributed to a delay in his car being repatriated. A copy of Mr A's bank

statement shows he made this payment direct to RAC's Europe agent on 4 October 2023. This was five days after RAC confirmed the amount Mr A needed to pay, on 29 September 2023.

RAC has agreed to waive the costs over the claim limit of £2,500 – which currently sits at £4,258. The policy says any amount over the limit are costs a customer would need to pay. But I agree with Mr A that approximately £1,700 of the claim limit was spent by RAC in (mostly) additional travel costs, accommodation and some of the total storage fees because of its errors. And this is approximately the difference between the claim limit and the costs of the claim. So I think RAC would have otherwise been close to the claim limit – including the costs to repatriate Mr A's car.

There were other delays as Mr A's car was brought to two garages before reaching the third where the repairs started – but weren't completed. While I'm in no doubt that this contributed to the inconvenience felt by Mr A, the actions of the garages in Europe are not the responsibility of RAC. Unlike in the UK, garages in Europe are not agents of the insurer. So I cannot consider the impact of the delays incurred here. For similar reasons, I cannot consider the impact of the actions by the first recovery agent when Mr A discovered the engine warning lights on a motorway in Europe. But I appreciate that these added to the overall experience.

Having said that, from RAC's notes and Mr A's account, he had to chase RAC for updates and received incorrect information as to when his car was at a garage and when it was likely to be repaired.

So I've carefully considered whether RAC has done enough to put things right for Mr A. Had RAC properly arranged onward travel – and promptly arranged repatriation – Mr A wouldn't have been inconvenienced to the extent that he was. He and his family would have arrived home several hours earlier than originally planned on 31 August 2023.

It's difficult to say that he 'benefitted' by having the amount over the claim limit waived by RAC. As I've said, a large portion of these costs wouldn't have been incurred if RAC hadn't made errors. So I can understand why it doesn't feel fair to Mr A that he hasn't received any financial assistance with the costs of a hire car, or compensation for the distress and inconvenience caused by RAC's errors.

But Mr A did receive the benefit of cover under the policy. And as I've said, I have to take into account that the actions of the garages and any delay here isn't something I can attribute to RAC.

However, there was poor service provided by RAC. And it's not clear to me why it took a month from 22 September 2023 – when RAC agree to repatriation – to 23 October 2023 when Mr A's car was returned to him.

RAC's policy says it can take up to 14 days for repatriation to take place. I have taken into account that the policy goes on to say; *"At busy times and from some countries it may take longer."*

But there's no clear explanation that I can see as to why it took a month – and a number of calls from Mr A chasing for an update during this time – for repatriation to happen. So – I think RAC's service could have been better and I understand Mr A's frustration. I don't think RAC should contribute toward the full costs of alternative transport for Mr A once he returned to the UK. But to reflect a delay of two weeks in arranging repatriation, I think a fair outcome is for RAC to meet the costs of 14 days of hire car which Mr A has provided evidence of.

Mr A says there were personal belongings that he left in the car which wasn't returned to them. RAC said it checked with the garage and they said the missing items weren't in the car. RAC explained that the policy says; *"You are responsible at all times for the care of your personal belongings, valuables, luggage and goods in or on a vehicle. The RAC will not be responsible for any loss of or damage to them."*

So I don't think RAC needs to do anything further here.

Any breakdown – particularly abroad – is a very stressful and disruptive event. This is especially true when it isn't possible to return home with the vehicle.

But I think RAC should compensate Mr A for the distress and inconvenience caused by its errors to reflect the impact of missing the ferry, having to stay an extra night, make alternative plans and contact their employers. I think this delay was preventable had RAC not made errors. I think RAC at times didn't provide accurate updates to Mr A as to the status of his car when he was waiting for it to be repaired.

I think RAC should pay Mr A compensation of £250.

My final decision

My final decision is that I uphold this complaint. I require RAC Financial Services Limited trading as RAC Insurance to do the following:

- Reimburse Mr A for the costs of a hire car for 14 days
- Pay interest from the date Mr A paid to the date RAC reimburses him at a rate of 8% simple interest a year.
- pay Mr A £250 compensation for the distress and inconvenience caused.

RAC Financial Services Limited trading as RAC Insurance must pay the compensation within 28 days of the date on which we tell it Mr A accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 June 2024.

Geraldine Newbold
Ombudsman