

The complaint

Mr K complains about how Acromas Insurance Company Limited handled a claim made on his European roadside assistance policy.

What happened

Mr K's car broke down whilst he was abroad, and he made a claim to Acromas. The car was recovered to a garage which provided an estimate for the repair costs. This greatly exceeded the car's pre-accident value, so Acromas said it wouldn't pay for the car's repair or recovery.

Mr K was unhappy with this, with the service provided by Acromas' agents, that he had to pay for some costs and later reclaim them, that Acromas would pay for only one bag per passenger on the recovery flight, and that Acromas later recovered the car to a garage when it should have returned it to him.

Acromas paid Mr K £100 compensation for the delay in repatriating his car. It also paid £480 for hire car charges and £123.69 for the costs of two taxis. But Mr K wanted Acromas to reimburse him for his unpaid costs and the hire costs he would have incurred whilst he was without his car.

our investigator's view

Our Investigator didn't recommend that the complaint should be upheld. She thought Acromas had acted fairly and reasonably and in keeping with the policy's terms and conditions in limiting the number of bags per flight passenger and in deciding initially not to recover the car.

She thought Acromas could have checked with Mr K where he wanted the car recovered to. But she also thought Mr K could have contacted Acromas or the garage to find out where the car was. So she thought Acromas' compensation for the trouble and upset caused by any misunderstanding was fair and reasonable. She thought Mr K should provide any evidence of any outstanding costs of the claim to Acromas.

Mr K replied asking for an Ombudsman's review, so his complaint has come to me for a final decision.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr K and to Acromas on 28 May 2024. I summarise my findings:

I could understand that Mr K felt frustrated that he had to wait for so long for his car to be repatriated and that he wasn't told when this had been done. I could also see that he was disappointed that all his expenses incurred after the breakdown hadn't been reimbursed.

Acromas initially told Mr K that it wouldn't recover his car because of the cost of the repairs. It had been provided with an estimate from a garage that replacing the car's engine would cost €9,000. The car's value was £2,500 and so this made repair and recovery uneconomical.

Mr K asked for a copy of the garage's report, but I couldn't see that one was provided. From what I could see, the garage provided Acromas with a verbal estimate for the cost of repairs

which it said would meet warranty conditions. This was the local procedure. It also provided a photograph showing a hole in the engine to justify the need for replacement.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably. I could see that the policy contained an exclusion from cover relating to recovery on page 23 of the policy booklet:

"Costs of the recovery of Your Vehicle if it is calculated to be beyond commercial economic repair (we may use Glasses guide to obtain vehicle valuations). We will never pay more than the value of the vehicle to bring it Home. If Your Vehicle is beyond commercial economic repair, You will be given up to eight weeks after the original incident to agree suitable alternative arrangements for the recovery or disposal of Your Vehicle. If there no agreement has been reached after eight weeks, It will be considered that You have authorised Us to dispose of Your Vehicle."

And I could see that the Insurance Product Information Document (IPID) also stated:

"Your nominated vehicle will not be recovered if it will cost more than its current market value."

I thought this exclusion was clearly stated and I was satisfied that it was fair and reasonable for Acromas to rely on it. I also thought it was fair and reasonable for Acromas to rely on the garage's estimate of the repair costs. So I thought Acromas was entitled by the policy's exclusion to decline to recover or repair Mr K's car following the breakdown.

Mr K thought the estimate was inflated, but I had no evidence to show this. I could see that Acromas looked to get a second opinion from a dealer's garage, but this wasn't done. Instead, it agreed for Mr K to obtain his own estimate from a local garage. This was for replacement with a second-hand engine. This made the repair economical and so Acromas agreed to recover the car.

Acromas then told Mr K that the estimated repatriation time was four weeks. The car was recovered to Mr K's local garage within a week. This meant that the repatriation was made within five weeks of the breakdown, which I thought was fair and reasonable in the circumstances.

But Mr K said he'd wanted the car recovered to him so that he could complete the repairs himself using second-hand parts. I could see that Mr K told Acromas this in an email. But the same email referred to the local garage's ability to undertake the work. And Mr K had provided an estimate from this garage.

I thought Acromas could have checked this with Mr K so that the car was recovered to the correct place. But it didn't and it didn't tell Mr K that the car had arrived. And the garage didn't tell Mr K that it had his car, as I think Acromas could reasonably have expected. But Mr K didn't contact Acromas again until two months after the car had been repatriated.

I thought there was confusion and misunderstanding and I thought Mr K could have contacted Acromas to ask where his car was after the four week estimate for repatriation and so have avoided the delay. But I also thought Acromas made a mistake in not clarifying his instructions and this meant that Mr K was without his car for longer than necessary.

When a business makes a mistake, as Acromas accepted it did here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

Acromas paid Mr K £100 compensation for the trouble and upset this caused. And I thought that was fair and reasonable in the circumstances.

But, to restore Mr K's position, I also thought Acromas should have offered to recover the car to Mr K's home, as he wished. I thought it should now offer to do this or, if the car has already been removed, then reimburse Mr K any costs he incurred on provision of evidence for this.

Mr K was unhappy that the car had been left on the side of the road near the garage. But the garage had signed for the car, so I couldn't reasonably hold Acromas responsible for its actions after this. I thought this was something Mr K would need to take up with the garage.

In the meantime, Mr K said he'd bought a replacement car. He wanted Acromas to reimburse him for the cost of hire for the time whilst he waited for his car to be recovered to him. But I didn't think that would be fair or reasonable as Mr K hadn't incurred those costs. And I couldn't see that this was provided by his policy's terms and conditions.

I could see that Acromas repatriated Mr K and his family and paid for the car's recovery to UK. But Mr K had to pay some costs locally and then submit a claim for them. I thought Acromas reasonably explained that this was done to expedite matters. Acromas said it had reimbursed Mr K £480 for his car hire whilst abroad and £123.69 for his taxi costs. But Mr K said he'd incurred £754 more costs and he'd provided the receipts to Acromas.

Again I looked at the policy's terms and conditions to see if Acromas had treated Mr K fairly and reasonably. I could see that the policy limit for car hire is £120 a day. Mr K claimed more than this, but I'm satisfied Acromas reimbursed him up to the policy limit. It reimbursed all the claimed taxi costs incurred.

Acromas declined to pay for extra luggage on the repatriation flight. The policy stated that it won't pay for:

"4. Any additional charges made by the airline including but not limited to excess baggage."

As one bag per person was included in the flight cost, I thought any more would be regarded as excess baggage and so not covered by the policy. So I couldn't say that Acromas had acted unfairly in applying the policy limit.

Mr K said he'd also incurred other travel costs and he'd provided various receipts for these. But I couldn't see that these costs were included on his claim form sent to Acromas. And I didn't have enough information about them to see that they were eligible expenses under his policy's terms and conditions. So I thought it was for Mr K to make a claim to Acromas if he thought further expenses should be reimbursed.

Subject to any further representations from Mr K and Acromas, my provisional decision was that I intended to uphold this complaint in part.

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.

Neither Mr K nor Acromas responded to my provisional decision. So, as I have no further representations to consider, I can see reason to change my provisional decision.

Putting things right

I require Acromas Insurance Company Limited to recover Mr K's car to his home, as he wished or, if the car has already been removed, then reimburse Mr K any costs he incurred on provision of evidence for this.

My final decision

For the reasons given above, my final decision is that I uphold this complaint in part. I require Acromas Insurance Company Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 22 July 2024.

Phillip Berechree
Ombudsman