

## **The complaint**

Mrs G has complained about her European breakdown cover provider RAC Insurance Limited. She feels it provided a poor level of service and didn't prepare her for the difference in service levels between what she experienced in Europe and what she would have in the UK (had her breakdown occurred in the UK).

## **What happened**

Mrs G was on holiday with her husband when her car broke down. She had European breakdown cover provided by RAC as part of her car insurance package. She made a claim. Subsequently Mrs G was unhappy with various different elements of the service provided by RAC and its European agents. She felt it was different to what she would have received had the breakdown occurred in the UK and that RAC, in the UK as opposed to its agents in Europe, was largely unhelpful and dismissive of their plight.

Following their return to the UK and the later collection of their repaired car from Europe, Mrs G complained to RAC. She listed a number of concerns and was upset when she felt RAC's subsequent reply didn't answer all of them. Mrs G asked RAC to pay a number of costs – it agreed to pay some and offered to consider others as part of the claim if details were provided to it. It also offered to pay £75 to make up for what had gone wrong. Later increasing that to £125. Mrs G remained unhappy, she didn't provide the further details to RAC and complained to the Financial Ombudsman Service.

Our Investigator felt RAC had largely acted as the policy required it to. But he felt there had been some service failings. And he didn't think RAC's offer of £125 compensation was enough to make up for the upset caused. He felt £250 in total was reasonable. He acknowledged RAC's offer to consider Mrs G's out of pocket costs and felt it wasn't fair to comment on those matters further unless/until RAC had been given the details it had requested to allow it to consider its liability for them.

RAC agreed to the suggested outcome. Mrs G said she was disappointed by it. The complaint was referred to me for an Ombudsman's decision. I felt that some of the costs Mrs G had incurred did require consideration as part of this complaint. So I issued a provisional decision setting out my views on the complaints and certain costs.

Mrs G acknowledged my findings. RAC did not reply.

## **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.

My provisional findings were:

*"I appreciate that Mrs G will likely feel that my background above is brief and doesn't set out any detail about what happened, what went wrong and what she went through. I mean no discourtesy by this. Similarly, as this is an informal service, I'm not going to respond in my findings to every point or piece of evidence Mrs G and RAC have provided. I can assure both parties though that I have read and understood all of their submissions. Having done so, my focus falls on those issues I consider to be key or central to the complaint.*

*RAC, in its final response, did agree to reimburse any diagnostic cost shown on the repair invoice, and Mrs G's costs for a train and bus ticket. I think that's fair. Mrs G should provide it the evidence it has asked for so it can action this offer. To any amount refunded, interest should be added from the date Mrs G paid the sums until settlement is made.*

*I know Mrs G feels RAC didn't provide to her what the policy promised her. I think she is correct in that respect.*

*Mrs G said they were left at the side of road when their car was collected – that there was never any intention of them being 'recovered' alongside the car, which she'd expected they would be. I can see why Mrs G would have expected that – that is exactly what the policy says RAC will do – "recover the vehicle and passengers..."*

*However, that entitlement doesn't happen in all circumstances. The full term is "recover the vehicle and passengers to a local garage for fault diagnostics". And in this case the car couldn't be taken to a garage straightway. Instead it had to go to a depot whilst RAC sourced a repairer.*

*I think the intention of this policy entitlement is to avoid disruption for the policyholder – so if their car can be quickly fixed, they can resume their trip with minimum of disruption. Here, by the point RAC decided to send the car to the depot it was known that the car would not be repaired that day – and that Mrs G was due to depart for home the following day. So there was no way to avoid disruption to the final hours of their trip. And, as I noted above, the policy, in the circumstances here, didn't promise to 'recover' Mrs G and her passengers to a suitable location.*

*That said I do think RAC failed Mrs G at this point. Knowing that it could not repair the car before the intended departure, the policy promised RAC would provide transport for them to get home. With the policy also saying it would be for RAC to then decide whether to repatriate their car, or complete repairs with RAC paying for someone to return at a later date to collect the car. But RAC didn't offer this to Mrs G at that stage.*

*Mrs G, worried they weren't going to make their departure, told RAC she'd change the booking. With Mrs G amending that again the next day when it became clear the car would still not be repaired in time for that amended departure. Mrs G wouldn't have had the inconvenience or costs associated with this if RAC had acted in line with the policy on the day of the breakdown to provide them with alternative transport home. I think it should reimburse the amendment fees, plus interest.*

*It wasn't until the afternoon of the second day after the breakdown that RAC began looking at options for getting Mrs G home. That was a Saturday (with the breakdown having occurred on the Thursday). RAC found there were no flights available for the Monday and so a flight was arranged for Tuesday. I think it's fair to say that if RAC had begun looking for flights two days earlier – as I think it should have done – it would have found flights available two days earlier than they were. So I think it delayed Mrs G getting home by two days.*

*I think that the timing of this breakdown and the clearly busy garages in the area which RAC had access to, all meant there'd likely have always been some delay and disruption for*

*Mrs G and her husband to get home. I think that would have been the natural consequence of suffering an incident like this. But I think RAC's failure to act in line with the policy terms exacerbated that.*

*I know it was difficult arranging transport to the airport. But I think those difficulties arose due to Mrs G's location – it was something which was always going to be difficult to organise.*

*I'm also aware that Mrs G is worried about her credit record because she had to pay a deposit for the hire car and put some fuel in it as well. But those are costs that naturally flowed from the need to have a claim. Ideally RAC would have forewarned her of the expected costs. It's possible, had Mrs G known that, she could have acted to avoid the limit being reached by calling her credit provider for example, or moving other funds around. However, I don't think it's fair to say RAC should have expected that outcome would result from its failure to advise of the likely charges. So, I can't fairly place liability on it for any impact on Mrs G's credit record. But I will factor into my compensation award the upset suffered when Mrs G, at a point when she could do nothing to avoid exceeding her credit limit, learnt of the deposit.*

*Mrs G has said she had some extra costs for sundries whilst away an extra couple of days. It seems to me that whilst someone is not at home, they will likely have additional costs to those they'd incur when, for example, they have access to their own kitchen, or home phone. This service has an established approach in this type of situation. That is to say when an insurer's failures cause policyholders to incur costs whilst they, and those they normally live with, have to stay somewhere which is not like their home for an extended period. We say the insurer should pay £10 per person per day to cover 'extra', likely costs which aren't readily quantifiable or verifiable. I said above that RAC's actions likely caused a two-day delay in Mrs G and her husband getting home. I think RAC should pay them £40 to cover their likely extra costs – extra to what they'd have spent had they been at home.*

*I've seen an email from Mrs G to RAC which details the costs Mrs G would like RAC to cover. For the period up to the point Mrs G arrived home, other than those mentioned in my findings above, I've not seen any other costs listed which I think RAC is reasonably liable for or should reasonably have to pay.*

*Mrs G has detailed costs for the period after returning home, when she and her husband returned to collect the car. I note that RAC agreed to go beyond the policy limits in this respect and cover the cost for both of them to return, I think that was fair of it.*

*I also note Mrs G felt aggrieved that she was asked to look for flights and pay for them upfront, with RAC reimbursing the outlay. I note RAC reimbursed this cost quickly. I'm satisfied that is in line with what the policy allows.*

*Regarding their returning to collect the car I've not seen any failure by RAC that might cause me to have to consider its liability for any costs incurred. The policy agrees to cover certain costs. And RAC, in addition to its offer I've referenced at the start of my findings, has told Mrs G it will consider her costs under the claim if she fills in a form. I think that is a fair approach by it and as RAC hasn't yet had chance to consider this part of the claim – because Mrs G hasn't provided it the details requested – I won't comment any further on the costs she incurred in this period.*

*I can see that this situation greatly affected Mrs G. I must bear in mind though that having a car breakdown, in a foreign country and so close to the expected end of a holiday, was always going to cause distress and inconvenience. I can't hold RAC liable for that. But I am satisfied that it didn't handle things well and that it made a stressful situation even worse. I've said above that I think it caused a delay to Mrs G getting home and RAC itself has*

*accepted it didn't communicate very well with her. A lack of communication in this situation would greatly exacerbate the frustration and worry already occurring. I must also bear in mind though that I've found that the failures and upset they caused occurred over a very short period of a few days. I'm satisfied that the compensation award suggested by our Investigator of £250 is fair and reasonable.*

*I know Mrs G is upset by what she sees as the different service level she received breaking down abroad as against what might have occurred if she'd been in the UK. But it isn't for me to comment on comparable service levels between the different services an insurance policy offers. Each cover comes with its own terms and sometimes different covers within the same package are even provided by different legal entities. This Service does not get involved in telling an insurer how it must run its business. If an insurer does use agents, for example, then any failure of those agents will lie with the insurer – so the policyholder will always have a simple route of complaint against the insurer responsible for their cover. And it is Mrs G's complaint about the service she did receive in this instance, from RAC and its agents, which I've considered here.”*

I note neither party has objected to my findings provisionally stated. As such I've no need to change or amend them. My provisional findings are, therefore, now the findings of this, my final decision.

### **Putting things right**

I require RAC to:

- Reimburse Mrs G's costs for the diagnostic and a train and bus ticket, as offered and subject to any proof it has asked for, with interest\* applied to each sum to be reimbursed, from the date the cost was incurred until settlement is made.
- Reimburse Mrs G's costs for twice amending her ferry booking. Mrs G will have to evidence those costs and RAC will have to add interest to each sum to reimburse, applied from the date Mrs G paid the costs until settlement is made.
- Pay Mrs G £40 to compensate for general extra costs incurred over the two-day delay in getting home.
- Pay Mrs G £250 compensation, if any part of this has been paid already, only the difference outstanding will now be due.

\*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require RAC to take off tax from this interest. If asked, it must give Mrs G a certificate showing how much tax it's taken off.

### **My final decision**

I uphold this complaint. I require RAC Insurance Limited to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 16 August 2024.

Fiona Robinson  
**Ombudsman**