

The complaint

Mr and Mrs B complain about how Acromas Insurance Company Limited dealt with a claim against a breakdown assistance policy. Reference to Acromas includes its agents.

What happened

Mr and Mrs B have breakdown assistance cover as a benefit of a current account. In summary, when Mr and Mrs B arrived at the port in their destination country, Mr B noticed the rear, offside wheel of their trailer was damaged. Mr and Mrs B had a significant onward journey to their trip destination. They contacted Acromas for assistance and it arranged for a mechanic and recovery vehicle to assist Mr and Mrs B.

The mechanic said he couldn't repair the trailer at the roadside and doubted it could be repaired before Mr and Mrs B's planned return to the UK. Mr and Mrs B say after the mechanic had spoken with Acromas, he offered them recovery back to the ferry terminal, to enable them to return to the UK, or recovery to their trip destination.

Mr and Mrs B chose recovery to the ferry terminal but discovered they wouldn't be eligible for breakdown assistance in the UK. Mr and Mrs B then considered recovery to their trip destination, but Acromas said it was too far.

Acromas arranged for the recovery of the trailer and its contents to a nearby garage and Mr and Mrs B continued their journey to their destination. Mr B subsequently returned to the garage to collect the contents of their trailer. Mr B left the trailer at the garage as they were informed it was unsafe to tow and the garage couldn't repair it in a timely manner.

Acromas said the damage was caused by an accident, not a mechanical or electrical breakdown, so it wasn't covered by the policy. It suggested Mr and Mrs B contact their motor insurer to make a claim.

Mr and Mrs B say Acromas didn't assist them. They say the damage to the trailer wasn't caused by an accident. Mr and Mrs B want Acromas to reimburse them for the trailer they left at the garage and pay the costs they incurred in additional travel to collect their belongings from the trailer. Mr and Mrs B also want compensation for their inconvenience.

One of our Investigators looked at what had happened. She didn't think Acromas had treated Mr and Mrs B unfairly. The Investigator said Acromas had recovered the trailer to a local garage and the policy didn't cover long distance recovery, or recovery which costs more than the value of the trailer or the cost of replacing the trailer. The Investigator said Mr B referred to hitting a pothole, so Acromas acted fairly in asking him to contact his motor insurer as the damage appears to have been caused by an accident.

Mr and Mrs B didn't agree with the Investigator. They say the policy doesn't exclude long distance recovery. Mr and Mrs B say Acromas didn't enquire about the value of the trailer, so its decisions couldn't have been based on the relative costs of the trailer and

recovery. They say the policy provides a benefit up to £800 which is relevant here and that it says where a repair can't be carried out within eight hours, Acromas will pay for overnight accommodation. Mr and Mrs B deny an accident caused the damage to the trailer. They say Acromas is wrong to say the policy doesn't cover what happened here.

The Investigator considered what Mr and Mrs B said but she didn't think it changed the outcome of the complaint. Mr and Mrs B asked that an Ombudsman consider their complaint, so it was passed to me to decide.

My provisional decision

On 6 September 2024, I send both parties my provisional decision in this case and indicated I intended to uphold the complaint in part. I said:

'I've taken into account the law, regulation and good practice. Above all, I've considered what's fair and reasonable. The relevant rules and industry guidance say Acromas should deal with claims promptly and fairly and must act to deliver good outcomes for retail customers.'

We can't look at every complaint brought to us. What we can and can't look at is explained in our rules. We can usually consider a complaint if it's against a firm regulated by the Financial Conduct Authority and it's carrying out 'regulated activities' or 'ancillary activities', as set out in the rules. We can't consider all complaints about roadside assistance providers. Under the specific regulations that govern this, roadside assistance insurance providers are excluded if they only provide roadside assistance insurance.'

I've looked at the policy in this case. The European Breakdown Cover is underwritten by Acromas. Acromas provides more than roadside assistance insurance. So, I can look at how Acromas handled Mr and Mrs B's claim for roadside assistance. Parts of the policy are underwritten by another insurer which fits into the exemption I've mentioned above. So, I can't deal with any comments Mr and Mrs B have made about the actions of the other insurer.'

Mr and Mrs B have also expressed concern about how Acromas handled their complaint. I've looked carefully at what Mr and Mrs B have said about this. I think the points they make are separate from their complaint about the financial service about which they complain. So, I can't consider the additional points Mr and Mrs B have raised about the handling of their complaint because it isn't a regulated activity.'

It's clear Mr B in particular has strong feelings about this matter. He's provided detailed submissions to support the complaint. I've read through all this carefully and taken it all into consideration when making my decision. I trust neither Mr B nor Mrs B will take as a discourtesy that I concentrate on what I think are the central issues in the case.'

Subject to the policy terms, there's cover for European emergency assistance when a vehicle - the policy definition of which includes a trailer - is stranded on the highway as a result of a breakdown or accident. Acromas arranged for a mechanic to assist Mr and Mrs B at the roadside, in accordance with the policy terms.'

I'll now consider the reasons Acromas gave Mr and Mrs B for declining further assistance. In Acromas' final response to Mr B, it said as the damage was caused by an accident or road traffic collision, Mr and Mrs B should contact their motor

insurer if they required recovery. It also said Mr and Mrs B had declined its offer of recovery to a garage.

Mr and Mrs B hadn't declined Acromas' offer of recovery to a local garage. As I've said above, the policy covers a breakdown or accident. So, I don't need to determine what caused the damage to the trailer because it wouldn't alter the outcome here. Acromas was not entitled to turn down Mr and Mrs B's claim for further assistance on the basis the damage to the trailer was caused by an accident, because that's not in accordance with the policy terms.

Acromas has since relied on the following:

'Claims and Repair Authorisation

[...]

6. If your vehicle has been involved in an accident, which could be subject to a claim involving your motor vehicle insurer, we reserve the right to obtain their formal agreement before recovery of your vehicle is arranged to negotiate with them to reclaim a proportion of the costs incurred.'

Based on what I've seen, Acromas didn't ask Mr and Mrs B for details of their motor insurer. In any event, this isn't a reason to decline Mr and Mrs B's claim for further assistance. It simply sets out what Acromas may do if there's been an accident which could be covered by motor insurance.

Acromas has also now said Mr and Mrs B were aware of the incident which led to the damage to the trailer before they left the UK. It relies on one of the general conditions in the policy which says Mr and Mrs B must be able to declare their vehicle hasn't been involved in an accident and they are not aware of any electrical, mechanical or other vehicle problem which may interrupt their trip. Mr B is right to point out the policy defines a trip as starting at their home. I've seen nothing to indicate Mr and Mrs B couldn't satisfy the declaration to which Acromas has referred before they left for their trip. So, whether the damage occurred in the UK or overseas doesn't alter the outcome of Mr and Mrs B's claim.

Acromas has also now said it wouldn't provide long distance recovery for a trailer that's considered a write-off or uneconomical to repair. There's an exclusion in the policy which says there's no cover for:

'2. The cost of recovery to your home or to your original destination where this exceeds the current market value of your vehicle.'

Acromas says Mr and Mrs B estimate the value of their trailer as €450. Mr and Mrs B were a considerable distance from either their permanent home address, a nominated repairer in the UK or their trip destination, so I accept the costs of recovery exceeded the value of the trailer. That may be what Acromas meant when it told Mr and Mrs B their trip destination was too far away for recovery, but it didn't explain its reasons to Mr and Mrs B.

I appreciate Acromas didn't ask Mr and Mrs B for their estimate of the value of the trailer. But Acromas had Mr and Mrs B's description of the trailer and its knowledge of recovery costs. So, I think Acromas was entitled to conclude that recovery to the UK or to Mr and Mrs B's trip destination was excluded because the recovery costs were more than the market value of the trailer. Acromas could have explained its position to Mr and Mrs B more fully but that doesn't alter the outcome of the claim.

There's no cover in the policy for the value of Mr and Mrs B's trailer. There's an exclusion in relation to the cost for damage to or loss of use of vehicles.

There's no cover for Mr and Mrs B's travel or accommodation costs incurred in returning to the garage to recover items from their trailer. There's cover for alternative travel arrangements and emergency accommodation in Europe where the repairer estimates the repairs will take more than eight hours. That's to cover travel and accommodation costs whilst waiting for a repair. That's not what happened here. Mr and Mrs B continued their onward journey to their trip destination. There was no time estimate for repairs because the garage where the trailer had been towed said it couldn't complete the repairs.

For the reasons I've explained, Mr and Mrs B's claim for additional assistance and reimbursement isn't covered by the policy. But Acromas gave Mr and Mrs B confusing and incomplete responses when they asked for assistance. I think that caused Mr and Mrs B additional distress and inconvenience at an already difficult time. They were confused by Acromas' responses and didn't have the benefit of an explanation of Acromas' reasoning before deciding how to proceed. I think fair compensation for that is £100. In reaching that view, I've taken into account the nature, extent and duration of the distress and inconvenience caused by Acromas' poor explanations in this case.

Mr and Mrs B have also asked for a written apology. I don't intend to ask Acromas to provide that as I don't think there's value in a forced apology.'

Responses to my provisional decision

Mr and Mrs B didn't accept my provisional decision. Mr B responded at some length, which I won't set out here in full. In summary, Mr B said:

- Acromas hadn't acted fairly and reasonably and had failed in relation to most parts of the policy.
- After the trailer was towed to a nearby garage, he was told to return to the garage the following Monday in order to collect his belongings and arrange the repair, so Acromas should cover the additional travel costs.
- Acromas knew the repairs would take more than eight hours, so it should have provided alternative accommodation of £60 per person, per night.
- No-one contacted him about the whereabouts of his trailer.
- He had concerns about the actions of the other insurer under the policy and doesn't understand why we can't deal with his complaint about another insurer.
- Acromas didn't have any information about the value of their trailer.
- He has never asked for a letter of apology.

Acromas asked why I proposed to award compensation of £100 in relation to Mr and Mrs B's inconvenience.

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.

The UK & European Breakdown Assistance Policy against which Mr and Mrs B made a claim is underwritten by more than one insurer. Acromas underwrites the European Breakdown Cover. In this decision, I'm dealing with Mr and Mrs B's complaint

about Acromas. For the reasons I set out in my provisional decision, we can't consider the parts of Mr and Mrs B's complaint about the other underwriter of the policy. That's because the other underwriter is caught by the exemption which says we can't look at complaints against roadside assistance insurance providers if they only provide roadside assistance insurance. The exemption covers the other underwriter, but not Acromas.

I've looked again at the terms of the cover. Acromas did what it was obliged to do in accordance with the terms of the policy in the circumstances which arose here – it assisted Mr and Mrs B at the roadside and, as an emergency roadside repair wasn't possible, it towed the trailer to the nearest repairer. I don't think Acromas acted unfairly or unreasonably in relying on the exclusion which says it won't cover the cost of recovery to Mr and Mrs B's home or original destination where the cost exceeds the current market value of the trailer.

I appreciate Acromas didn't ask Mr and Mrs B for their estimate of the value of the trailer at the time of the incident which led to the claim. As I said in my provisional decision, Acromas had Mr and Mrs B's description of the trailer and its knowledge of recovery costs, so I think it was in a position to assess the costs of recovery and the current market value of the trailer (not the cost of a new trailer). I think Acromas was entitled to conclude that costs of recovery to the UK or to Mr and Mrs B's trip destination, which was a considerable distance away, were more than the market value of the trailer and so excluded under the policy.

I don't think conversations about future plans for the trailer and collection of personal items means Acromas is obliged to make payment for costs not covered by the policy. In the circumstances here, Acromas isn't obliged to pay Mr and Mrs B a sum equivalent to alternative accommodation costs they might have incurred in different circumstances.

I think after Acromas had provided roadside assistance and a tow to the nearest repairer, I don't think it was at fault in failing to contact Mr and Mrs B about the whereabouts of the trailer. What happened next to the trailer wasn't a matter for Acromas.

In their complaint form, Mr and Mrs B asked for a letter of apology from Acromas. I note they no longer want this.

I indicated in my provisional decision that I was minded to award Mr and Mrs B compensation of £100 for their distress and inconvenience. Acromas has queried this. As I explained, Acromas gave Mr and Mrs B confusing responses when they asked for assistance.

Acromas gave several reasons for declining further assistance that weren't in accordance with the policy terms. For example, it initially said what happened here wasn't covered by the policy because the damage was caused by an accident or road traffic collision. In fact, the policy covers a breakdown or accident. And Acromas said, incorrectly, that Mr and Mrs B had declined its offer of recovery to a local garage.

Acromas later said Mr and Mrs B were aware of the incident which led to the damage before they left the UK but for the reasons I explained in my provisional decision, its immaterial whether the damage occurred in the UK or overseas.

Several of Acromas' responses to Mr and Mrs B were inaccurate. Acromas is right to say there's always some degree of inconvenience with any claim, but I think some of Acromas' responses caused Mr and Mrs B additional distress and inconvenience at an already worrying time. I think compensation of £100 is fair and reasonable in this case.

I've considered what both sides have said. I remain of the view that Acromas didn't act unfairly or unreasonably in declining Mr and Mrs B's further claims under the policy but its

responses caused additional distress and inconvenience.

Putting things right

In order to put things right, Acromas should pay Mr and Mrs B compensation of £100 in relation to their distress and inconvenience.

My final decision

My final decision is that I uphold this complaint in part. Acromas Insurance Company Limited should put things right as indicated above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 5 November 2024.

Louise Povey
Ombudsman