

The complaint

Mr A complains about costs which RAC Insurance Limited ("RAC") haven't paid following a claim he made on his roadside assistance insurance policy.

References to RAC include its agents.

What happened

In October 2023 Mr A and his wife went on a trip around Europe in his campervan. Unfortunately, while he was in Spain his campervan broke down, so he called RAC.

Mr A waited a week for his campervan to be recovered to a local garage, but RAC's attempts at recovery were unsuccessful. Mr A ended up remaining in Spain past his planned return date and was provided with a hire car while RAC carried on looking for a garage. But, repatriation was eventually agreed instead after Mr A's booked return date, and Mr A departed home on 10 November 2023 via a flight to France and a ferry to the UK.

Following this, RAC repatriated the campervan to the UK, and Mr A submitted a claim to RAC totalling £2,928.13 for several expenses he'd incurred.

RAC agreed to pay Mr A £1,496.90, consisting of the following:

- £1,200 for hotel accommodation.
- £86.80 for a missed ferry.
- £56.61 for a taxi costs.
- £24.52 for train tickets.
- £28.96 for breakfasts.
- £100 as a contribution for costs not covered by the policy.

RAC said the remaining costs Mr A had claimed weren't covered by his policy. RAC provided Mr A with a final response to his complaint on 6 December 2023 in which it acknowledged there were delays and poor communication during his claim, and in recognition, it offered to pay him £150 compensation.

Our investigator didn't think RAC's response to the complaint was fair. In summary, she said:

- The £150 compensation RAC had offered for the poor service wasn't fair for the impact caused, and RAC should pay Mr A an additional £250.

- Although the parking costs weren't covered by the policy, these were caused by unreasonable delays in RAC recovering the campervan. So, RAC should reimburse Mr A the parking fees.
- While the cost of meals wasn't covered by the policy, this expense had in part been caused by the delays and it wasn't fair for RAC just to pay for the cost of breakfast. So, RAC should reimburse Mr A half of the total cost for the food and drink.
- Although RAC paid Mr A the policy limit of £1,200 for the accommodation costs, the length of time Mr A required accommodation had avoidably increased due to the first week of the claim in which no recovery vehicle arrived. So, RAC should pay Mr A one extra week of alternative accommodation.
- RAC should reimburse Mr A the taxi costs he incurred in the UK if it hadn't already done so.
- It wasn't unfair for RAC not to cover the cost of the insurance Mr A had to take out for a hire car, since he would have paid this anyway if there hadn't been issues with the claim.

Mr A's only comment in response was that he thought RAC should also reimburse him £71.95 for some prescription medication his wife needed due to their supply running out because of his trip being extended. The investigator said she thought this cost had been reasonably accounted for within the general £100 contribution RAC had already paid for uninsured expenses.

Because RAC didn't reply to the investigator's opinion, the complaint was referred to me to decide. I issued a provisional decision upholding the complaint, and I said:

"I've begun by reviewing the policy terms. These say RAC would either repair the vehicle at the roadside, or if that could not be done, would tow it to a local garage for fault diagnosis. If a repair can't be completed within six hours or the nearest garage was closed, the policy then provides the benefit of onward travel, which includes cover for alternative transport or a hire car, and additional accommodation expenses of £100 per person, per day up to a limit of £1,200.

I acknowledge the parking expenses, meals, medication and hire car insurance costs aren't covered by the policy and are uninsured losses. But it would be unfair for Mr A to incur those costs if they are reasonable and if RAC reasonably could have avoided Mr A from incurring them. So, I've considered if that's the case here.

RAC didn't repair Mr A's campervan at the roadside within six hours of the breakdown, nor was it taken to a local garage for diagnostics. On the day of the breakdown, RAC agreed for Mr A to stay in a hotel overnight and agreed it would arrange collection of his motorhome that day. But, RAC wasn't able to collect on the same day, so it rescheduled recovery for the next day.

Mr A ended up waiting every day over the course of the week that followed for RAC to collect the campervan, but RAC's attempts were unsuccessful. And Mr A says on one day he waited for nine hours.

I think Mr A's trip ended up being extended beyond his original planned return date because RAC couldn't arrange within a reasonable time for the campervan to be taken to a garage. By 9 November 2023, Mr A was still waiting for the campervan to be taken to a garage, so it

was agreed at that point to proceed with repatriation. But, I think the delays caused Mr A to incur expenses which could have been avoided had RAC not delayed recovery to a garage.

I haven't seen anything to show Mr A reasonably could have acted differently to avoid the parking fees. His campervan was a large vehicle, and he needed to get it off the road. I think if RAC had recovered the campervan on the day of the breakdown, or the day after, as originally planned that wouldn't have been unreasonable. So, I don't think it's fair for RAC to pay all the parking fees since I think Mr A would still have incurred some even if RAC had recovered his campervan within a more reasonable length of time. But, I think the parking fees after this were avoidable and caused by unreasonable recovery delay.

So, to put this right, I think RAC should reimburse Mr A's parking fees with the exception of the first two days. And it should add interest to the refund to reflect that Mr A has been without these funds.

With Mr A's food costs, I understand the issue here was that although he had access to his campervan, local laws prevented him from using the facilities of the campervan unless it was parked in a registered camp site. Since it wasn't, that meant he couldn't cook in the campervan while it was broken down.

I think it's likely if the breakdown hadn't happened, Mr A still would have incurred some food costs while on his trip. Given this, I don't think it's reasonable for RAC to reimburse his food costs in full. But, I also don't think just reimbursing the cost of breakfasts is fair as I think the additional unexpected cost dining out while unable to use the campervan likely exceeded this. I think a fair resolution that takes into account these factors would be for RAC to pay Mr A half of the total cost of his food and drink claim with interest.

I've considered Mr A's comments about the extra medication he had to purchase for his wife. I don't dispute the necessity of this. And I understand the existing supply ran out because the trip ended up being extended beyond the original scheduled return date. But, I also take into account RAC has already paid Mr A a £100 contribution for uninsured losses which I'm satisfied reasonably covers the cost of the medication Mr A needed to buy. So, I intend to make no further award for this.

Mr A's accommodation was covered by the policy – but only up to a limit of £1,200, which RAC has already paid. But, I think the issue here is this limit was reached due to unreasonable delays caused by RAC. Had RAC dealt with the claim within a more reasonable length of time, I think it's unlikely Mr A's accommodation costs would have exceeded his policy limit. So, I think it's reasonable for RAC to pay Mr A the remainder of his accommodation costs in full with interest.

Mr A had to pay for insurance cover for the hire car he was provided. But, the policy terms only covered the cost of the hire car itself and not insurance that would be required for it. I don't think the hire car insurance cost could have been avoided unless the need for a hire car could have been avoided altogether. And I'm not persuaded that's been shown. So, I don't intend to make any award for this.

According to the claim settlement breakdown RAC provided, it has already paid Mr A's taxi costs and I haven't seen anything showing any further taxi costs Mr A may be eligible to claim for beyond what has already been paid. So, I'm not minded to award anything more for taxi costs unless Mr A provides additional evidence showing there are still outstanding taxi costs.

Lastly, I've considered the distress and inconvenience Mr A was caused by RAC's handling of the claim. RAC acknowledged there had been delays and poor communication and it offered Mr A £150 compensation for this.

Mr A always would have been caused some inconvenience due to his campervan breaking down and I wouldn't expect RAC to compensate him for unavoidable distress and inconvenience caused by this. So, my focus here is on any additional avoidable distress and inconvenience RAC caused by its poor handling of the claim.

I've looked at Mr A's testimony and RAC's notes on the claim and I think in addition to the delays I've already referred to there has been poor communication including expectations being set which weren't met. I think, in particular, Mr A was caused a lot of inconvenience during the first week due to the unsuccessful recovery attempts which caused him to spend significant time waiting in his campervan. Mr A was also caused more distress later in the claim when the location of his campervan wasn't made clear to him, and while RAC continued to struggle to find a garage.

Having considered the impact caused to Mr A, I think an additional £150 compensation, to bring the total to £300, would be a fair and reasonable amount which is in line with our award levels."

Mr A and RAC didn't provide any response to my provisional decision.

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.

Because RAC and Mr A haven't given me anything more to think about, I see no reason to depart from my provisional decision. So, I've decided to uphold this complaint, and for the same reasons I set out in my provisional decision.

Putting things right

To put things right, I require RAC to do the following:

- Subject to Mr A providing proof of the cost if requested, pay Mr A the parking fees with the exception of the first two days. RAC should add 8% simple interest to this payment calculated from the original claim settlement date to the date the payment is issued.
- Subject to Mr A providing proof of the cost if requested, pay Mr A half of the total food costs he incurred after the breakdown. RAC should add 8% simple interest to this payment calculated from the original claim settlement date to the date the payment is issued.
- Subject to Mr A providing proof of the cost if requested, pay Mr A the remainder of his accommodation costs. RAC should add 8% simple interest to this payment calculated from the original claim settlement date to the date the payment is issued.
- Pay Mr A an additional £150 compensation for the distress and inconvenience caused. And, if it has not already done so, pay Mr F the £150 compensation it offered in its final response to ensure Mr A receives a total of £300 compensation for this complaint.

My final decision

My final decision is that I uphold this complaint and I require RAC Insurance Limited to carry out the steps I've set out in the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 February 2025.

Daniel Tinkler
Ombudsman