

The complaint

Mr I has complained about the way his motor breakdown insurer, RAC Insurance Limited ('RAC'), dealt with a claim he made on his policy.

RAC is the underwriter of this policy i.e., the insurer. During the claim Mr I also dealt with other businesses who act as RAC's agents. As RAC has accepted it is accountable for the actions of its agents, in my decision, any reference to RAC includes the actions of the agents.

What happened

Mr I had a motor breakdown insurance policy with RAC which included battery cover. In April 2024 his car broke down and he reported the matter to RAC who sent a recovery agent to check the car. The recovery agent said that Mr I had a flat battery which needed replacing but he couldn't see that Mr I had this extra cover on his policy, so he didn't replace it. Mr I said that he had to buy the battery himself which cost him around £130.

Mr I complained to RAC who upheld his complaint and confirmed that he did have battery replacement cover so a battery should have been provided. It said it would refund him the cost of the battery if he provided evidence such as an invoice.

Mr I said he paid in cash and didn't keep his invoice because he didn't know he could complain at the time when he bought the battery. He said it was clear he needed a new battery and that RAC should reimburse him regardless.

RAC said it wouldn't reimburse Mr I without a receipt so Mr I brought his complaint to us. He said he wanted to be refunded for the battery plus £140 for lost earnings due to not being able to go to work.

RAC told us that the reason the agent couldn't find the fact that Mr I had battery cover was because he still had his old car on cover and didn't notify RAC that he had changed cars. RAC said Mr I told it he tried to do this online but failed but it said it could have done this for him over the phone.

One of our Investigators reviewed the complaint and thought it should be upheld. She thought RAC should reimburse Mr I for the cost of the battery after confirming where he bought it from and that the cost is consistent with what he paid. She also thought it should pay him £100 for the distress and inconvenience it caused him.

Our Investigator acknowledged that we would normally need to see evidence such as an invoice. But as it was for such a low amount, it was for something that was covered under

the policy and as RAC inspected the car itself and found that a new battery was needed, on balance, she thought Mr I did incur this expense and should be reimbursed. Our Investigator didn't think it would be fair and reasonable to ask RAC to reimburse Mr I for a loss of earnings claim for missing a day's work as he failed to mitigate such a loss.

RAC didn't agree and asked for an Ombudsman's decision. It said that Mr I would have been required to keep his invoice as it was also the battery warranty and that it would have been emailed to him in any event. However, it agreed to pay the £100 compensation award.

Our Investigator didn't change her view. She said she looked at the website of the store where Mr I said he purchased the battery and the £130 price was at the lower end of the scale in terms of cost and so she didn't think it was an unreasonable amount for him to claim.

The matter was then passed to me to decide. Before I proceeded with my decision, I asked Mr I to provide any evidence he has in support of purchasing a new battery such as details of what battery it was and photographic evidence.

Mr I provided photographs of the battery after it was fitted in his car. He also provided a screenshot from the store's website which showed that the battery costs £139.09. Our investigator provided this evidence to RAC before I issued my 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.

RAC accepts that Mr I had battery cover and that a new battery should have been provided at the time. It also accepts that the fact that this wasn't provided caused Mr I distress and inconvenience and agreed to the £100 compensation our investigator awarded.

So, what is left for me to decide is whether RAC should compensate Mr I for the cost of the battery without an invoice. I appreciate RAC would like to see evidence that Mr I did indeed purchase a new battery. And as our Investigator said this is something we would normally support. Mr I has provided photographic evidence which shows what appears to be a fairly new battery. And he provided a screenshot from the website of the store he says he bought it from which shows that the same battery is being sold there for £139.09

In these very specific circumstances where RAC inspected Mr I's car and saw it needed a new battery and where it accepted that one should have been provided, I think it should reimburse Mr I even without the evidence it requires.

I say this because, on balance, I think Mr I bought a new battery and on balance I think it is the battery in the photographs he provided. I agree with Mr I that he would have had to buy a new battery in order to be able to use his car and I accept that perhaps a receipt was misplaced. In any event Mr I was entitled to a new battery under his policy and RAC accepts it failed to provide him with one. Mr I provided evidence that the battery cost £139.09 and so RAC should now reimburse Mr I for this amount.

I understand Mr I said he needed his car for work and missed work as a result of not being able to drive his car. Mr I hasn't provided any evidence in support of a loss of earnings claim so this isn't something I can award. And I don't think this is something I would have awarded in any event, as I would have expected Mr I to minimise/mitigate such losses for example by using other means of transportation or purchasing a battery straightaway.

My final decision

For the reasons above, I have decided to uphold this complaint. RAC Insurance Limited should pay Mr I £139.09 for the cost of the new battery. As Mr I hasn't been able to supply his invoice I don't think it needs to pay interest on this amount.

RAC Insurance Limited must also pay Mr I £100 compensation for the distress and inconvenience it caused him. It must pay the compensation within 28 days of the date on which we tell it Mr I accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

If RAC Insurance Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr I how much it's taken off. It should also give Mr I a tax deduction certificate if he asks for one so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 22 April 2025.

Anastasia Serdari
Ombudsman