

The complaint

Miss M complains about poor service she received from RAC Insurance Limited ('RAC') under a breakdown assistance insurance policy.

For ease of reading, references to RAC include their counterparts and appointed representatives in Holland.

What happened

As the background to this complaint is largely uncontested; the following is intended as a summary of key events only.

Miss M held a breakdown policy with RAC. She contacted them in June 2024 when she broke down in Holland to request assistance. Despite being given an estimated arrival time of around sixty minutes; Miss M says she and her son - who has a range of special needs - were left on the motorway for five hours in hot weather, in what she said was an unsafe location.

When a recovery vehicle did arrive, they concluded Miss M's vehicle couldn't be repaired, so she was taken back to her set off point. There was then a misunderstanding in which Miss M was asked to pay 600 euros to tow and store her vehicle – however this was later resolved without Miss M having to pay this cost. At this point, RAC also discussed Miss M's overnight accommodation options and explained how the cost of this could be reclaimed.

Miss M spoke to RAC the next day and discussed her options in repairing and recovering her vehicle, and explained she had a pre-booked ferry arranged to take her and her son home; but she could look to re-book this if needed. There were also concerns about her ability to stay at the hotel she'd used as they were fully booked due to a local festival.

As Miss M's vehicle couldn't be repaired locally, she and RAC then discussed the option of towing her vehicle across the border to Belgium, as she had a friend who lived there, and she could stay with them. This ultimately wasn't actioned, and Miss M also wasn't contacted to arrange a suitable hotel that night; so, she caught a train to her friend's home in Belgium. She spoke to RAC to explain she would return to Holland the following day with her keys in order to try and arrange for her vehicle to be repaired so she could return home to England.

There were then discussions around Miss M being able to use a hire vehicle to return to Holland to drop the keys with the vehicle to be repaired, but this ultimately wasn't possible as the hire company was unable to provide a car without Miss M having a credit card. Miss M explained at this point that she was unhappy with the delays in repairing her vehicle, but RAC said that because she'd taken the keys with her; it was proving difficult to arrange a garage to move the vehicle without them.

Miss M then spoke to RAC again during her return train journey to Holland and asked about booking a suitable hotel as she needed to confirm accommodation for that night due to her son's needs. When Miss M returned to her vehicle, RAC arranged for her to be met by representatives from Holland so they could arrange to collect and repair her vehicle. They

also discussed reimbursement of hotel costs that Miss M had booked for that evening. She was also told that due to the terms of her breakdown membership, Miss M was unable to have both a hire car and hotel at the same time.

While there were some logistical issues initially in recovering Miss M's vehicle; it was taken to a garage and a problem with the alternator was identified. And she said she was happy with the garage being able to repair her vehicle and she'd given them the go-ahead to complete repairs. The garage also dropped Miss M near her hotel and agreed to collect her once her vehicle was repaired.

Miss M said she was aware that her vehicle's repairs were her responsibility but asked if RAC would provide a labour contribution. However, she was told the terms only allowed this if the vehicle wasn't repaired the same day as the breakdown – but even without the delays this was unlikely to have happened. Miss M subsequently updated RAC that she'd need to pay around £170 for a new ferry booking and was told to keep her receipts for possible reimbursement.

RAC spoke to Miss M who confirmed she'd collected her vehicle and was back on the road heading towards the ferry. Miss M advised she had already sent a list of her out of pocket expenses was advised these would be considered. Ultimately, Miss M arrived back in England on 1 July 2024 and her vehicle was booked into a garage for further repairs to be completed.

Miss M had raised a complaint to RAC in June during the course of the breakdown and recovery, which RAC responded to in mid-July 2024. They apologised for the delay in the initial breakdown service arriving to the breakdown location and agreed their communication could have been better. And they made a compensation award of £150 as well as asking Miss M to provide her out of pocket expenses. Miss M felt the compensation award was too low and disagreed that some of her expenses weren't being considered, so she brought her complaint to this Service.

An Investigator looked at what had happened and recommended the complaint be upheld. He said he though Miss M had received an unsatisfactory level of service. He said Miss M had been required to make several arrangements herself without assistance and this would have been both inconvenient and distressing – especially given the special needs of her son who she was travelling with. And he said it was reasonable for RAC to have paid the majority of the costs they felt were covered by the policy terms. But the Investigator concluded that RAC should increase their total compensation award to £500 as well as make a contribution to Miss M's food costs at £80.

Miss M said she agreed with the Investigator's recommendation – but RAC didn't. They said they felt their offer to pay Miss M £300 compensation was fair and an additional £200 was unwarranted.

As RAC have asked for an Ombudsman to consider the complaint, it's been passed to me to decide.

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.

Having done so, I've reached the same overall outcome as the Investigator.

I want to start by explaining I won't be repeating the entirety of the complaint history here in my decision or commenting on every point raised. Instead, I've focussed on what I consider

to be the key points that I need to think about in order to reach a fair and reasonable conclusion. This reflects the informal nature of this Service and our key function; to resolve disputes quickly, and with minimum formality. However, I want to assure both parties I've read and considered everything provided.

The starting point is that RAC have confirmed there were delays in the initial recovery which meant Miss M and her son were left waiting for a several hours before they were recovered and they agree their communication could have been better. So, I don't need to make a finding on whether RAC have acted unfairly here. Instead, I need to consider what the impact of their mistakes were and what steps they've taken to address them.

Miss S has described the impact this situation had on her and why this was exacerbated by her son's special needs, who was travelling with her. I haven't detailed everything here given its personal nature, but I can appreciate that when her vehicle broke down, Miss M was already in a difficult situation. I have sympathy for the circumstances Miss M found herself in, and I have no doubt this would have been distressing for her.

Having to travel back and forth across borders, speak to multiple people to arrange recovery, repairs, and hotel accommodation would have been distressing. And as RAC have agreed their service fell short – what's left for me to do is decide what level of compensation and monetary losses are appropriate here.

I want to first outline that I don't think it would be fair for me to direct RAC to pay for the cost of the repairs to Miss M's vehicle. While I appreciate Miss M has said there were delays and inconvenience caused, my starting point is always to consider what RAC are required to do under her policy's terms – which say:

"If we are unable to repair the vehicle at the roadside, we will:...

c)contribute towards the garage labour charges up to £150 when the vehicle can be repaired on the same day;"

RAC has pointed out that Miss M's breakdown call came shortly before 5:00pm. And so even if there hadn't been delays, it's more likely than not her vehicle wouldn't have been able to be repaired on the same day in any event.

I've thought about this very carefully, and I'm ultimately persuaded this is correct. I think that, on balance, Miss M's vehicle wouldn't have been repaired on the same day that the breakdown happened. And so, I find that RAC don't need to pay a contribution towards the repair costs, per the terms of Miss M's policy with them.

In respect of her other losses and expenses, I can see RAC have agreed to refund a total of £528.30, which Miss M has agreed with. I've considered the reasons RAC provided for what items they would refund, and I'm satisfied doing so produces a fair and reasonable outcome to this complaint point. This means I don't intend to make an extended finding on this, beyond requiring RAC to pay this sum.

In respect of the additional food costs the Investigator recommended, I can see RAC disagreed with this. They said they hadn't originally paid these as Miss M would have needed to purchase food in any event during the breakdown; so, they didn't think this was an expense they were responsible for.

Having thought about this point from a fair and reasonable perspective, I can see RAC agreed that they paid Miss M's hotel costs on the basis that, if miss M's vehicle had been towed to a garage and repaired within 24 hours; she wouldn't have needed a hotel between 27 to 29 June and may even have been able to catch her original ferry home. Applying that

same logic to additional costs, I think it would be reasonable for RAC to pay £20 per day towards food costs for the three days between 27 to 29 June – a total of £60.

Finally, I've thought about the overall impact to Miss M in terms of a compensation award for distress and inconvenience. RAC maintain their offer is fair, however the Investigator recommended a further £200 compensation on top of the compensation already offered of £300. I don't think RAC's offer of compensation would be sufficient to reflect the impact of their actions on Miss M. And, having considered everything that's happened, I'm satisfied a total award of £500 compensation is a fair and reasonable sum in all the circumstances to reflect what I consider to be the impact of RAC's actions on Miss M during a very stressful experience for her.

I appreciate this may not be the level of compensation Miss M might had hoped for, and it may not ultimately change matters for her. But I consider it to be in line with the level of compensation appropriate to these issues, and I'm satisfied this produces a fair and reasonable outcome in this particular complaint.

My final decision

For the reasons given above, it's my final decision that I uphold this complaint. I direct RAC Insurance Limited to pay:

- £528.30 for expenses and losses (less the £346.30 already paid)
- £60 as a contribution to food costs; and
- £500 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 23 April 2025.

Stephen Howard
Ombudsman