

The complaint

Mr A complains that RAC Insurance Limited wouldn't offer him a hire car under his breakdown policy.

What happened

Mr A's car broke down on 8 May 2024. He called RAC for help under his breakdown policy. The car was recovered to a local garage and Mr A made his own way home.

During his phone call with RAC to make arrangements about getting his car repaired, Mr A asked about a hire car. RAC's agent confirmed this was available to him under the policy. Mr A asked to defer this until 25 May, just over two weeks later. The agent explained that the hire car was intended for onward travel and had to be taken up within 24 hours of the breakdown.

Mr A complained about this. He said his policy only said the hire car had to be arranged within 24 hours, not that it couldn't be deferred. RAC didn't agree. It explained that the hire car option was "*designed to help our customers continue their journey immediately, not at a later date.*" Mr A remained unhappy and complained to this service.

Our investigator didn't recommend that the complaint should be upheld. She was satisfied that RAC's interpretation of the policy terms was correct. Mr A didn't accept this, so the complaint was passed to me to make a final 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.

I've listened to the call when Mr A discussed the hire car with RAC. He was worried that the repairer wouldn't be able to start work on his car for a week. This would mean he might be without his car for some time, so he asked the agent to start the hire period on 25 May. The agent told him that wasn't possible and explained that "*your onward travel needs to be within 24 hours of your breakdown.*"

Section B, part B of the policy booklet (*'Travel and mobility'*) says RAC will provide either a hire car, alternative transport, or overnight accommodation if it can't fix a customer's vehicle at the roadside. If a customer chooses the hire car option, the policy says this "*must be arranged within 24 hours of your breakdown*" and will be provided "*for up to 48 hours, or until your vehicle has been fixed, if sooner.*"

I'm satisfied that the policy terms are clear and as explained to Mr A by RAC. The purpose of the hire car under his breakdown policy is to get him to his destination, not provide him with a vehicle while his car is being repaired. I think that's clear from the requirement that it's booked within 24 hours for a maximum of 48 hours. A hire car for the whole period while his car was being repaired would be a potential benefit under his motor insurance cover, not his breakdown cover.

I'm satisfied that RAC's decision not to defer the hire car was fair and in line with the policy terms. It follows that I don't uphold the complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 24 May 2025.

Simon Begley
Ombudsman