

The complaint

Mrs R complain about the quality of service from their insurer, Acromas Insurance Company Limited (Acromas), under their breakdown cover in respect of breakdowns to their vehicle while on a trip overseas.

References to Acromas in this decision include their agents.

This decision covers Acromas as the insurer of the UK & European Breakdown Assistance Policy as part of a packaged bank account, in which a range of benefits were provided alongside a current account. The decision doesn't cover the provider of the bank account, a separate business to Acromas.

What happened

The following is a summary of the detailed sequence of events in this case, which are well known to Mrs R and Acromas.

In July 2024, Mrs R and family were on a holiday in Europe when their vehicle suffered a breakdown on a motorway, with a loss of power and an engine warning light. They contacted Acromas for assistance and they were recovered off the motorway and, after some time, continued their onward journey. Mrs R was told her vehicle had been recovered to a garage and repaired. She collected the vehicle and paid for the repair.

However, a few days later the vehicle suffered a second breakdown with the same symptoms of loss of power and engine warning light. Mrs R was again recovered, and the vehicle taken to a second garage. As a second breakdown, Mrs R asked Acromas to arrange for her to be repatriated to the UK. Acromas located a hotel for the night.

Mrs R was told it would be three to four days before the garage could look at her vehicle and Acromas advised they return to the UK via alternative transport. They spent a night in another hotel, though lower quality as the first hotel had been expensive and took up most of their entitlement under the policy. Mrs R and her family returned to the UK by train. They were due to collect a hire car to complete their journey home, but they had to wait for it to become available.

As her own vehicle had not been repaired, Mrs R had to hire a car (as she only had one vehicle) for three weeks at a cost of £530. But her family's cycles and other possessions were still overseas, making day-to-day life difficult. Due to delays in the overseas garage diagnosing the issue with her vehicle, Acromas then agreed to recover it back to the UK, which would take a further three weeks. There were further delays arranging recovery of the vehicle, so Mrs R hired a further car to cover the first half of September (£352).

Unhappy at the delays and potential issue with their belongings affecting the recovery of their vehicle to the UK (a bike rack) Mrs R returned overseas to collect their belongings. Their vehicle was eventually returned to the UK at the end of September 2024, some seven weeks after the second breakdown.

Unhappy what had happened and the frustration and inconvenience, she complained to Acromas (she first complained in early-August 2024).

Acromas upheld the complaint, concluding their service had fallen below the standards to be expected, with Mrs R experiencing several delays and poor communication. In recognition of the issues and inconvenience, Acromas awarded £350 compensation.

They accepted there was a delay arranging assistance after the first breakdown and Mrs R had to wait for onward travel. The vehicle was taken to the first garage for a diagnosis of the issue, but Acromas didn't agree to the repairs. However the policy terms and conditions provided that Acromas weren't responsible for the acts or omissions of service suppliers, including garages. On the booking of an expensive hotel, the area was expensive, and they were required to book accommodation within the limits set out in the policy. On the diagnosis following the second breakdown, Acromas said they required a diagnosis before they could arrange recovery of the vehicle back to the UK, as the policy terms only provided for recovery where repair costs exceeded £500. Once authorised, recovery would (under the policy) take between 8 to 14 days.

Unhappy at Acromas' final response, Mrs R complained to this Service. She'd incurred car hire costs of £872.78 and a repair bill of £278.18 (£330) for the first repair. And there was the cost of bus fares to and from the hire car office, her missed holiday and engagements since the breakdown, together with other costs including having to take time off from work when she had to travel back to collect their possessions. She didn't think the £350 compensation awarded by Acromas (and an additional £250 towards the hire car costs) was sufficient. She wanted Acromas to cover all her costs since the first breakdown, as had the vehicle been fixed properly the first time, a lot of what subsequently happened would have been avoided.

Our investigator upheld the complaint. She noted that since Mrs R made her complaint to this Service, Acromas had provided further funds to cover part of the hire costs and her return trip to collect her belongings. On the issues raised by Mrs R, the investigator noted that on the first breakdown, Acromas arranged for recovery to a garage, but they weren't responsible for the repair carried out, or the standard of service. Nor were they liable for the cost of the repair. On the second breakdown, Acromas again arranged for recovery of the vehicle and then repatriation of Mrs R back to the UK. The first hotel costs exceeded the policy limit of £500 (for Mrs R and her family) so a less expensive hotel was booked for the second night, which Acromas covered the cost. Which the investigator thought fair.

On repatriation of the vehicle, there were delays in arranging this, though substantially due to issues with the garage and so outside Acromas' direct control. In recognition of this, Acromas has covered half of the hire car costs incurred by Mrs R following her return to the UK (£436.39 being half of £872.78). Acromas also covered the cost of Mrs R's return to collect her possessions (£568.02) even though the policy excluded costs for damage or loss of use of personal effects. The investigator also thought this was fair. On the service provided by Acromas, they acknowledged it could have been better, including disjointed communication, delays booking alternative transport, lack of clarity about the policy terms and conditions, and delays dealing with the second garage. Taking these points into account, the investigator thought Acromas' offer of £350 compensation was fair. Mrs R disagreed with the investigator's view and requested that an ombudsman review the complaint. She said the recovery of her vehicle back to the UK took seven weeks, an extremely long time and significantly longer than what the policy referred to ("between 8 and 14 working days, occasionally longer during busy periods"). SO, Acromas should cover her hire car cost beyond the first 14 days. And on the trip to pick up their possessions, this was at Acromas' request – not her decision – to facilitate the recovery of the vehicle back to the UK. And it meant she (and her husband) having to take two days each off work. And it took a

further two weeks for the vehicle to then be recovered to the UK (when they were told it would be the following day). And the garage was Acromas' choice.

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.

My role here is to decide whether Acromas have acted fairly towards Mrs R.

There are several issues in Mrs R's complaint, from the time of the first breakdown, then the second breakdown and then the recovery of the vehicle back to the UK (following Mrs R's return to the UK, then return to collect her possessions). The issues include delays in recovery, issues with the hotels for overnight stay, the hire car costs incurred by Mrs R following her return to the UK. There's also the overall communication with Acromas and their handling of the incident from beginning to the recovery of Mrs R's vehicle to the UK.

I'll cover what I think are the main issues in turn, and although I may not comment in detail about every aspect of what happened, I want to reassure Mrs R I've considered all the issues and points she's raised, alongside what Acromas have said about what happened and their handling of the issue.

Taking the issues in chronological order, the first breakdown occurred at the end of July 2024, on a motorway/

At this point, it's important to note that as the breakdowns happened In Europe, Acromas provide services under the policy through local service providers, including recovery agents, garages and repairers – they don't employ their own service providers. The terms of the policy make this distinction clear, in terms of what Acromas are responsible for – and what they aren't. Under *Section F: General Conditions for European Breakdown Cover* it states:

“16. Europe Roadside assistance will usually be provided through a garage or...a mechanic of a local organisation to assist. Service providers, including garages, repairers, recovery operators, mechanics of motoring organisations, car hire companies, are not approved either by us or the supplier and do not act as our agents. [Acromas] cannot be held liable for any acts or omissions of any such garages or other service providers...”

So, while the garage diagnosed the fault and carried out a repair, that wouldn't be Acromas' responsibility (they'd acted in line with the policy terms by arranging for recovery of the vehicle to a garage). The policy terms also make it clear that any repair is a contract between the policyholder and the garage and the repairer has the legal responsibility for the performance and quality of the repairs.

Moving onto the second breakdown, Acromas again arranged for recovery, to a different garage given the distance from the first garage. Acromas also arranged for hotel accommodation, at one hotel for the first night and then a cheaper alternative for the second night. The policy limit on emergency accommodation (*Section 5 – Emergency accommodation in Europe* under *Section D: European Breakdown Assistance Cover and Limitations*) is £60 per person, per night or more than £500 per party, per trip. The cost of the first night hotel exceeded this, in an area Acromas say was expensive, so I don't think it unreasonable for Acromas to book a less expensive hotel for the second night.

I also note Acromas covered the cost of Mrs R (and her family) returning to the UK by train given the uncertainty over when the issue with their vehicle would be diagnosed by the

second garage (and fixed). While Mrs R mentions an issue when arriving back in the UK with the hire car to complete her journey, I think this was reasonable and again in line with the policy terms and conditions.

Coming back to the issue of the diagnosis of the issue with the vehicle and the decision to then recover the vehicle back to the UK from the garage, in the circumstances and uncertainty about when the garage would diagnose to issue (and fix it) then I think it was reasonable for Acromas to seek to arrange for the vehicle to be recovered to the UK. Again, responsibility for diagnosing and repairing the vehicle (if possible) would be the responsibility of the garage. Acromas say the terms of the policy provide for recovery of a vehicle back to the UK if the estimated cost of repairs exceeds £500 (this is specified in *Section 7 – Vehicle recovery to the territory or onward to original destination*).

The same section of the policy also specifies that “*Average recovery time for the territory – when vehicle recovery is arranged, delivery of the vehicle normally takes 8-14 working days from most countries in Western Europe. At busy periods...recovery may take longer*”. SO, while there is an expectation of recovery in 8-14 days, this isn't guaranteed. And looking at the circumstances of the case, there were delays for several reasons. Acromas point to the need to receive the vehicle registration document (needed for recovery back to the UK) as well as delays caused by the garage. There also appears to have been an issue with the bike rack and the risk of its recovery along with the vehicle.

In the circumstances, collection of personal possessions would seem to have been part of the resolution of the recovery delays, whether it was Mrs R's choice or – as she maintains – Acromas' request to her. Either way, Acromas covered the cost of Mrs R travelling to pick up the possessions, which I think fair and reasonable. My understanding from what Acromas have said is that they have already made the payment to Mrs R. If that is the case then I won't require them to make payment.

Mrs R says she (and her husband) had to take time off from work to do so, but I've also noted the policy terms (in the same *Section 7 -Vehicle recovery to the territory or onward to original destination*) exclude 'Any losses resulting from a delay in recovering your vehicle', which would not only exclude any loss of earnings, but the travel costs incurred by Mrs R.

The same exclusion could be applied to the hire car costs incurred by Mrs R on her return to the UK (as would an exclusion for any costs incurred following a policyholder's return to the UK, under *Section 4 – Alternative travel arrangements in Europe*). However, in this case, Acromas accept there were delays in recovering the vehicle to the UK, over and above what Mrs R could reasonably have expected (Mrs R says seven weeks from the date of the second breakdown, Acromas say five weeks from receipt of the vehicle registration document). Even allowing for the leeway in the policy terms, I think this was unreasonable, even factoring in delays caused by the garage, such as not responding to Acromas.

Given these points, I think Acromas offering to cover half of the hire car costs incurred by Mrs R is fair and reasonable in the circumstances. As with payment of the travel costs of Mrs R to collect her possessions, my understanding is that they have already made the payment to Mrs R. If that is the case then I won't require them to make payment.

Having reached these conclusions, I've considered the distress, frustration and inconvenience to Mrs R from what happened. I think it clear her trip was substantially affected by the two breakdowns and what happened thereafter. While I can't hold Acromas responsible for the breakdowns and the actions of the two garages, they accept their service to Mrs R fell short of the standard she should have expected, even allowing for the inherent stress, frustration and inconvenience that would always have been the case with any breakdown overseas.

I've considered Acromas' acknowledged shortcomings and responsibility for some of the delays that occurred in the context of the circumstances of the case and also the published guidelines on awards for distress and inconvenience from this Service. Taken together, I think £350 compensation for distress and inconvenience is fair and reasonable, so I won't be asking Acromas to make a further award.

My final decision

For the reasons set out above, I uphold Mrs R's complaint. I require Acromas Insurance Company Limited to:

- Pay Mrs R £350 compensation for distress and inconvenience (if they haven't already paid it).

Acromas Insurance Company Limited must pay the compensation within 28 days of the date we tell them Mrs R accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 6 May 2025.

Paul King
Ombudsman