

## **The complaint**

Mr A complains about RAC Insurance Limited's handling of a claim under a European roadside assistance policy.

RAC has been represented by its agents during the claim. All references to RAC include its agents.

## **What happened**

Mr A had a European roadside assistance policy with RAC. On 4 August 2024, while in Europe, he reported a breakdown. RAC was unable to repair the vehicle at the roadside and Mr A returned to his hotel, leaving the vehicle with RAC.

Mr A had to arrange a further hotel stay on 5 August 2024, and he then chose to return to the UK. He arranged for his return and RAC agreed to reimburse these costs. The vehicle remained abroad.

Mr A complained in August 2024 about a lack of communication, failure to arrange onward travel, ongoing issues with recovery and hire car arrangements. Shortly after this, Mr A arranged and paid for his own hire car.

Following this, Mr A's vehicle was repaired and RAC agreed to cover Mr A's costs to travel from his home in the UK, to the repairing garage in Europe, to collect it. Mr A collected the vehicle on 21 August 2024.

RAC issued a complaint response in September 2024. It didn't agree it let Mr A down with the hire car arrangements or in covering the repairs. It did accept its communication was poor, so it apologised and offered £50 compensation.

Mr A didn't accept and he referred his complaint to the Financial Ombudsman Service. He said the compensation didn't adequately acknowledge the emotional and psychological impact on his family.

The Investigator looked into the complaint. They said RAC hadn't caused substantial delays and the time taken to repair the vehicle was reasonable. But they said RAC's communication was poor, it could have done more to keep Mr A updated, and its actions meant Mr A had to arrange and pay for some of the necessary costs, causing him frustration. They recommended RAC pay a further £100 compensation on top of the £50 it already offered.

RAC accepted. Mr A didn't agree. He said this still didn't fully account for the emotional distress, trauma and inconvenience he and his family suffered due to RAC's mishandling of the claim. He said he and his family were stranded in a foreign country with no means of transport and he had to repeatedly chase RAC.

Because the complaint couldn't be resolved, 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.

Mr A has provided a lot of information in support of his complaint. I assure Mr A that I've taken everything he's provided into account. But in this decision I've focused on what I think are the key issues in this complaint. No discourtesy is intended by this, but it simply reflects the informal nature of the way that the Financial Ombudsman Service reviews complaints.

### *Delays*

Mr A made contacted RAC on 4 August 2024 to make the claim. I can see RAC contacted a number of garages but none had immediate availability. And despite one of the chosen garages rejecting the repair, RAC was able to find another garage and the vehicle was taken there around 13 August 2024. This meant repairs were then completed and Mr A was able to collect his vehicle on 21 August 2024.

Keeping the above in mind, and because the terms say RAC can't guarantee repair timeframes for garages, or their ability to carry out the repairs needed, I'm satisfied RAC arranged for recovery and repair of the vehicle within a reasonable amount of time.

### *Poor service*

RAC accepts its communication was poor. And having reviewed the evidence, I'm satisfied that Mr A had to make frequent contact with RAC and its agents in order to progress the claim and find out what was happening. I consider this amounts to poor service by RAC.

In addition, RAC also accepts that because it was unable to organise things like a hotel and travel (for example taxis), Mr A had to arrange some of this himself. I also consider that this too amounts to poor service by RAC.

On the matter of the hire car, Mr A made it clear on the day he made the claim that he'd require a hire car. RAC agreed to look into this and after Mr A returned to the UK, he made it clear he required a hire car while his car was in for repairs. It wasn't until after this that RAC informed Mr A it couldn't confirm the hire car benefit until repairs had been approved. So I don't think RAC managed Mr A's expectations fairly on the matter of the hire car.

And despite finding a garage to carry out the repairs, I can't see that RAC then took reasonable steps to arrange the hire car for Mr A. And I think this meant Mr A was left to arrange his own hire car, which he did for between 13 to 20 August 2024. Although RAC reimbursed this cost, I think its actions meant Mr A experienced the avoidable inconvenience and stress of arranging a hire car himself.

In addition, having reviewed the evidence, I think RAC ought to have acted proactively in agreeing to cover the repair costs. Its notes show it was aware prior to the date of Mr A's collection that €105 was outstanding for repair works, with no parts ordered. So I consider RAC ought reasonably to have known this amounted to labour only costs, under £1,000, that would be covered under the terms. Because it didn't, Mr A was initially asked to pay this sum, albeit this was later resolved without him having to make the payment. But I consider this would've caused him some avoidable distress.

### *Impact*

I understand RAC reimbursed Mr A's costs under the terms of the cover, after he submitted his claims formally, and this isn't being considered under this complaint.

Mr A mentioned other costs incurred as result of RAC's handling, but I've not seen evidence of these other costs. And I consider some of the costs mentioned, such as food, are costs Mr A would always have incurred. So I'm not persuaded it's fair to direct RAC to pay these.

On the non-financial impact, I should also point out the Financial Ombudsman Service can only award compensation to eligible complainants. Mr A's family were not named on the policy when the claim was made, so they wouldn't be eligible complainants. I'm therefore unable to award compensation for the impact UKI's actions had on them. Mr A was named on the policy, so I'm able to consider the impact of UKI's actions on him.

It's clear from the evidence, and RAC's own admissions, that it provided poor service under the claim, at a very difficult time for Mr A. Its actions meant Mr A had to make arrangements himself, the day after his car broke down, at a time when he was abroad with his family. I consider this, along with its poor communication and service outlined above, would have caused Mr A distress and inconvenience. But I'm conscious that Mr A did return to the UK, two days after his breakdown, and I consider that this, along with his actions in making his own arrangements, such as his own hire car, would have mitigated the impact on him.

I also consider that a lot of the impact Mr A outlined, is likely down to the nature of having broken down in a foreign country with his family. I accept RAC's actions would likely have compounded the impact of this, but I'm not persuaded it's fair to hold RAC responsible substantially, for the impact Mr A outlined.

Overall, I agree with the Investigator that a further £100 compensation, on top of the £50 compensation RAC already offered, is fair and reasonable in the circumstances. So, this is what I will direct RAC to pay.

### **My final decision**

My final decision is that I uphold this complaint and require RAC Insurance Limited to:

- Pay Mr A a further £100 compensation on top of the £50 compensation it has already offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 May 2025.

Monjur Alam  
**Ombudsman**