

The complaint

Mr B has complained that his European motor breakdown insurer, Millennium Insurance Company Limited ('Millennium'), is refusing to repatriate his car after it broke down whilst abroad.

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

What happened

I issued a provisional decision regarding this complaint earlier this month where I said I was considering upholding it and asking Millennium to arrange and pay for the repatriation of Mr B's car and to also pay other related costs. An extract from that decision follows:

"In August 2024 while Mr B was abroad, his car started making a banging noise which was coming from the engine bay. He made a claim on his breakdown cover and said Millennium offered him £1,000 in full and final settlement to go towards the cost of repairs. Mr B said he declined this as he said he wouldn't be able to accept a settlement without knowing what the diagnosis was. He said he was told that due to the time of year it would be difficult to find a garage to take the car.

The car was taken to a garage about a month later and the garage said it would need a new engine which, alone, would cost around 9,000 euros. Mr B said he was initially told Millennium would repatriate his car, but this offer was taken back and the £1,000 was offered instead. Mr B complained and said his car should have been repatriated at no cost to him.

Millennium responded to the complaint, but it didn't uphold it. It said it had initially offered to repatriate the car or pay Mr B £1,000 towards the repairs, however, when the car was inspected and the repair costs were provided it was clear it was uneconomical to do so. It said in order to resolve the complaint it offered £1,000 towards the repatriation costs which is something that the policy doesn't provide for, so it considered its offer to be fair and reasonable. It urged Mr B to make a decision soon as the storage fees were increasing.

Mr B then brought his complaint to us. He said he was not responsible for repeated delays in getting the car to a garage or the fact that it had to be moved to a second garage. He said the initial diagnosis was not comprehensive and the costs of repair were unknown and he couldn't make a decision without this. He said the car was still abroad with £800 worth of belongings still inside.

One of our investigators reviewed the complaint and didn't think it was fair that Millennium had rescinded its repatriation offer. Our investigator thought that Millennium should repatriate the car but that Mr B should be responsible for the diagnosis and storage costs up to 20 September 2024 which is when he accepted Millennium's repatriation offer. Our investigator thought Millennium should be responsible for costs incurred thereafter as the car would have been repatriated had it not changed its mind.

Mr B said he would agree to pay fair and reasonable storage costs and asked for evidence of the costs incurred. But he didn't think he had to pay for a "diagnosis" which he didn't believe took place.

Millennium didn't agree with our investigator's view. It referred to its terms and conditions which don't allow for a repatriation to take place when the car is an economic write-off. It acknowledged that the diagnosis provided by the garage was verbal.

Mr B didn't agree with Millennium's comments. He said a verbal diagnosis was not sufficient and without identifying the cause it wouldn't be possible to assess the cost of repair. He said replacing the entire engine was a catch-all solution. Mr B said he would accept £3,000 in full and final settlement and asked to be provided with the car's location so he could retrieve his belongings.

As there was no resolution the matter was referred for an ombudsman's decision and passed to me to decide.

What I've provisionally 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.

The policy

The policy provides roadside assistance and recovery in the event of a breakdown. It says Millennium will arrange to pay call out fees and mileage charges needed to repair or assist with the vehicle. If the operator believes it is not possible to repair the car at the roadside it will arrange for the car to be recovered to a workshop or to the insured's chosen destination up to 10 miles from the scene.

If the car cannot be repaired within 14 days of the breakdown, provided that the insured's intended return date to the UK has passed, the car and passengers can be taken to the insured's home address or a suitable workshop within ten miles of their home address. Or if the customer prefers it can be taken to a repairer of their choice in the territorial limits which included Mr B's location.

The policy says Millennium will cover repatriation of the vehicle up to its current market value. It defines "market value" as the UK market value based on equivalent vehicles currently for sale after deducting estimated parts and labour costs for any required repairs from a suitable workshop nearest to the breakdown.

If the total cost of repatriation of the car is more than the current market value, Millennium will deem it to be an economic write-off and only offer to repatriate the passengers. It adds

that if the insured make their own arrangements or delay repairs or repatriation it will not pay associated storage costs.

Timeline of events

The operator who provided roadside assistance to Mr B provided their opinion to Millennium regarding the car on the day of the breakdown and said that the engine was “dead”, and the car was a total loss. They were asked to provide an estimate and said that the repairs would cost more than the car. A further email was sent to the operator by Millennium asking it to find a garage to repair the car as the fault seemed to be with the timing chain. A garage wasn’t available until 26 September 2024 so on 23 August 2024 Millennium started the repatriation process. This seems to be in line with the policy as the car couldn’t be repaired within 14 days of the breakdown bearing in mind Mr B’s intended return date, which was the day the car broke down, had passed.

On 28 August 2024, Millennium called Mr B and said that it was prepared to offer him £1,000 towards the repairs if it could find a repairer within three to four weeks. But if he accepted this offer, it wouldn’t be able to repatriate the car. It’s not clear why this offer was made as it doesn’t seem to be in line with the terms and conditions of the policy which, as far as I can tell, doesn’t stipulate that an offer will be made in lieu of repatriation. Had this offer not been made the car would have, on balance, been repatriated at that stage.

Mr B said he preferred this to the repatriation option as he wanted to know what the diagnosis was first, before making his decision. Mr B said he never accepted the £1,000 and, from what I’ve seen, I think it’s clear he wanted to know what was wrong with his car first before making a decision. At the same time, I don’t think Mr B was given all the necessary information before agreeing to wait for a diagnosis to be provided.

I think at that point Millennium should have made it clear to Mr B that, even with him not accepting the £1,000, the option of repatriating the car may still not have been available to him if, after the inspection, the car was deemed uneconomical to repatriate. This is especially the case as Millennium had already been told by its operative that the car was likely to be a total loss and had already valued the car at £2,805 which wasn’t much more than the repatriation costs (£1,944); meaning the repair costs would have to be less than around £900 for Millennium to repatriate the car.

Though it’s difficult to know for sure what Mr B would have decided at that stage I think, on balance, bearing in mind there was an initial indication that the engine was “dead” and that there was a possibility that the car would require major repairs he would have opted to have it repatriated rather than risk the car being stuck abroad.

The car was eventually inspected by a garage, after being refused by other garages, on 18 September 2024. The diagnosis was that the engine was damaged and that it would cost 8,000 to 9,000 euros for a new engine plus VAT and labour costs. Millennium asked Mr B for a copy of his logbook for repatriation but within a few days, on 24 September 2024, it said a repatriation would not be possible as it was uneconomical to do so. This was mainly due to the high repair costs.

Bearing in mind that I think Mr B’s car should have been repatriated in August 2024 as per

the terms and conditions and that on balance Mr B, had he been aware that there was a significant chance his car would be uneconomical to repatriate post inspection, would have chosen to have it repatriated before it was inspected, I think it is fair and reasonable that Millennium is responsible for the costs of repatriation as well as all the storage and other relevant costs. I say this because if the car had been repatriated in August 2024, it would have never gone to the garage for an estimate or diagnosis and would not have incurred storage fees.”

Both parties responded to my provisional decision. Mr B accepted it. Millennium didn't agree with it but it said in order to avoid further delays it would proceed with arranging the repatriation and would communicate directly with Mr B regarding this.

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.

As neither party has provided any additional comments in relation to my provisional decision, the findings I made in that decision now form the findings of this, my final decision.

My final decision

For the reasons above, I am upholding this complaint. Millennium Insurance Company Limited should arrange and pay for the repatriation of Mr B's car. It should also pay any other related costs including diagnosis, recovery and storage costs.

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

Anastasia Serdari
Ombudsman