

The complaint

Mr L complains that Reach Financial Services Limited ('Reach') mis-sold his roadside assistance insurance policy.

What happened

Mr L called Reach in May 2024 and took out a roadside assistance policy over the phone. In November 2024 his car broke down, so he made a claim on the policy. However, he was unhappy with the service he received as he was asked to pay a surcharge to have his car taken to his home due to the breakdown occurring more than 25 miles away from it.

Mr L complained to Reach his policy was mis-sold. He said when he took out the policy, he specifically asked if it was like for like with the previous policy he'd held with another provider, and if it included national recovery. Mr L says he was told the policy included national recovery, which he thinks was a misrepresentation of the cover provided.

Reach provided a final response to this complaint on 2 December 2024. It said the policy was sold on 8 May 2024 over the phone, but it couldn't find the recording of this call. However, it said Mr L was given policy documents on the same day which set out what the national cover included, and that these documents didn't say it guaranteed recovery home.

Dissatisfied with this response, Mr L brought his complaint to us. Our investigator didn't think Reach had acted unfairly. She said she had considered if the policy was mis-sold and had requested call recordings from Reach.

Mr L said he'd initially enquired with Reach about the cover on 30 April 2024 and called again on 8 May 2024. Reach said it couldn't find any record of a call from 30 April 2024, but it had now found the call recording from 8 May 2024 where Mr L bought the policy, and it provided a copy of this recording to us.

After listening to this recording, the investigator didn't think Reach had said the policy was equivalent to the cover under Mr L's previous policy. Additionally, the investigator acknowledged that Reach had provided Mr L with policy documents which would have allowed him to check if the cover was suitable for his needs or cancel it within the cooling off period if it was not. The investigator also thought Reach had been clearly set out which level of cover Mr L was taking out.

Because Mr L didn't agree, the complaint was referred 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, while I understand Mr L will be disappointed, I've decided not to uphold this complaint. I'll explain why.

I should start by saying I'll only be considering here the sale of the policy. If Mr L is unhappy with the service received during the breakdown itself, he'll need to make a separate complaint to the underwriter of the policy. I understand the investigator has already provided Mr L with details of how he can do that, so I won't repeat that here.

I've firstly considered whether the policy was sold to Mr L on an *advised* or *non-advised* basis. This distinction is important because depending on how the policy was sold, the obligations on the seller are different.

If a policy is sold on an advised basis, the seller is recommending a customer buy a particular policy. So, the seller is responsible for ensuring they assess the customer's needs during the sale. If a policy is sold on a non-advised basis, the seller isn't recommending the customer buy a particular product and is instead providing the customer information to allow them to decide themselves whether the cover is suitable for their needs.

The policy Terms of Business document says:

"You will not receive any advice and we will also not make any recommendation when arranging your insurance. However, we may ask some questions to narrow down the selection that we will then provide details on. You will need to then make your own choice about how to proceed and whether a particular product meets your insurance needs."

Additionally, the Demands and Needs Statement says the product is offered on a non-advised basis.

However, if a business has inadvertently given advice or recommended a particular product during the sales process, it may turn the sale into an advised one consequently placing responsibility on the seller rather than the buyer to ensure suitability. So, I've checked if any such advice was provided by Reach during the sale.

Reach couldn't locate any call on 30 April 2024, despite checking multiple numbers. However, a copy of the call from 8 May 2024 has been provided, so I have listened to this. Having done so, and having reviewed the policy documentation sent, I don't think the evidence shows Reach inadvertently gave advice or made a recommendation for a particular product. So, I find the policy was sold on a non-advised basis.

During the call on 8 May 2024, Mr L asked if the support was better or equivalent to that of two other providers he mentioned by name. Reach did not directly answer this question yes or no and instead explained it would try to fix the vehicle at the roadside, but if that wasn't possible, it would take the vehicle to a local garage, which if it couldn't be repaired there, onward travel would then be offered.

Whether the policy was 'better' than another product from a different provider is subjective and whether the policy is equivalent to one would require a detailed comparison of the respective benefits and limitations or both policies to answer accurately. So, I don't think it was unreasonable for Reach to respond to this question by not giving a direct answer and instead explaining how the policy would respond to a breakdown claim.

Mr L says that Reach misrepresented the policy by saying during the call that it included national recovery. Mr L's policy documents show he took out the 'National and Home' level of cover. This provided him with breakdown cover nationwide but limited the car to only being recovered to a destination within a 25 mile radius of the breakdown.

But I don't think Reach misrepresented this during the sale. Reach didn't say during the call on 8 May 2024 that the policy included national recovery – meaning it would transport the vehicle back to Mr L's home from anywhere in the UK - or the cover was equivalent to the benefits of a policy with a different provider. It instead explained that the vehicle would be taken to a local garage in the event of a breakdown.

I acknowledge Mr L's comment that Reach were required to provide clear and transparent information during the sale. When selling insurance, including when making a non-advised sale, businesses need to provide enough information which is clear, fair and not misleading, to allow a consumer to make an informed choice about whether to buy the insurance. So, Reach should have drawn Mr L's attention to any significant or unusual features of the policy.

But I think that Reach did make Mr L aware during the sale that in the event of breakdown the policy would respond by taking the car to a local garage and paying for onward travel. In addition to which, I think Reach drew Mr L's attention to this aspect of the policy in the policy documents, as the Insurance Product Information Document (IPID) says that recovery within a 25-mile radius of the breakdown is covered.

Lastly, I acknowledge Mr L says he had an earlier conversation with Reach on 30 April 2024. Reach says it couldn't locate a record of any call on this date. Regardless, I think Reach were clear enough about how the breakdown benefit worked during the call on 8 May 2024 and in the policy documentation. So, on the available evidence, I don't find the policy was mis-sold.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 18 July 2025.

Daniel Tinkler
Ombudsman