

## **The complaint**

Mr M complained that RAC Insurance Limited ("RAC") didn't provide him with the service he expected under his breakdown assistance policy.

All references to RAC include its agents.

## **What happened**

Whilst driving in Europe in October 2024 Mr M's car suffered a mechanical breakdown. He contacted RAC and it arranged for the recovery of his car. Mr M expected a garage to be arranged to diagnose the problem. But the recovery driver told him his car was being taken to a depot, and he'd need to arrange and pay for a diagnosis himself. He didn't think this was fair and refused the recovery.

Mr M said RAC did eventually arrange for a garage to diagnose the problem with his car. But it was left to him to try and locate the garage and discuss the repairs and the cost. Mr M said the garage told him it'd cost 2500 euros to fix his car. He asked RAC about repatriation as he thought the repairs were too expensive. After a delay he was told this had been declined. This was because the repairs cost more than his car was worth.

Mr M said he was subsequently provided with a repair estimate for 4100 euros. He said this included repairs that weren't related to the breakdown. Mr M said the repair cost had been inflated so repatriation could be declined. He also complained that he had to arrange for his luggage to be returned to the UK. And that he had to scrap his car without receiving any payment. Mr M wasn't satisfied with how RAC had handled his claim. So, he complained and asked it to pay him compensation for the loss of his car.

RAC issued a final complaint response in which it said it was not upholding Mr M's complaint. It said a diagnosis was necessary before any action could be taken. When this was arranged, and Mr M requested repatriation, it declined his request in line with its policy terms. It said this was due to the repair costs exceeding the value of his car. RAC said its agent arranged for a flight back to the UK for Mr M, but this didn't cover his additional baggage. It said that Mr M was advised he could collect his car or scrap it and that storage fees would apply.

In its response RAC said that Mr M later returned to the garage to collect his belongings and sign paperwork to scrap his car.

Mr M didn't think he'd been treated fairly by RAC and asked us to consider his complaint. One of our investigators looked into this for him. He said he didn't think the complaint should be upheld as RAC had responded to Mr M's breakdown in line with the terms of his policy.

Mr M disagreed with our investigator's view. He didn't think our investigator had considered his testimony regarding his dealings with RAC. He said the garage initially told him the repair cost was far lower than in the estimate later supplied. He said his phone conversations should be checked regarding this point.

As an agreement wasn't reached the complaint has 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.

Having done so, I've decided not to uphold Mr M's complaint and for the same reasons given by our investigator. I'm sorry Mr M had a stressful experience when his car broke down, but I'll explain why I think my decision is fair.

Mr M said the recovery driver gave him misleading information. More specifically that he'd have to arrange for diagnosis of the fault with his car himself. I've read the claim records, which refer to a conversation Mr M had with RAC shortly after he refused the recovery. The records show it was explained that his car would be recovered to a garage. However, at that time of day they were all likely to be closed. RAC said a garage would be arranged to diagnose the fault the following day.

I can understand why Mr M was unhappy with the information provided by the recovery truck driver. His expectation was that RAC would arrange for the fault to be investigated. I don't doubt Mr M's recollection of what the recovery driver told him. This wasn't accurate. But from the records Mr M agreed for his car to be recovered after the situation had been explained by RAC. The business paid the cost of diagnosing the problem. So, although I acknowledge Mr M was given inaccurate information initially, the situation was clarified shortly afterwards.

Similarly, although I note Mr M's comments about finding the garage. I think this was resolved without a significant issue.

The claim records show the garage RAC appointed estimated the repairs at 3500 euros. A caveat was included in case more damage was found. The same record confirmed the garage had estimated the value of Mr M's car at £2,500. I acknowledge he said the garage initially told him it would cost 2500 euros for the repairs. But I'm not able to verify this. I've seen the final estimate, which was for the higher amount of 4103.16 euros.

Mr M's car suffered a significant mechanical failure. This is shown in the garage's repair estimate. I acknowledge that Mr M disputed the repair costs. But he hasn't provided evidence that persuades me the estimate produced by RAC's appointed garage was unreasonable.

I've seen the information RAC provided in support of its valuation for Mr M's car. This includes a valuation from one of the industry trade guides commonly used to value second hand vehicles. It couldn't obtain a valuation for the exact same model. But it was able to obtain a valuation for the left-hand drive version, which is similar to the right-hand drive version Mr M owned. It used the correct mileage, model and year for the car. This valuation came to £2,540. The remaining information showed the prices offered by online car buying services. These were all much lower.

We tried to obtain valuations from four of the main trade guides we use. However, none returned a valuation. Mr M's car was approaching 20 years old at the time it broke down. This is likely to be the reason we couldn't obtain a valuation as the guides don't tend to provide valuations for vehicles of this age.

Based on this evidence I don't think it was unreasonable for RAC's garage to value Mr M's car the way it did.

Mr M's policy provides £1,000 towards garage labour costs if repairs can be completed in seven working hours. From what I've read this cover doesn't apply in these circumstances given the extent of the repairs needed.

I've checked what Mr M's policy terms say about the repatriation of his vehicle to the UK. It says this cover is only provided if the cost of repairing the vehicle is less than its market value. As discussed the repair estimate came to 4103.16 euros, which at the exchange rate at that time amounted to around £3,400. So, the car's value of £2,500 was less than the repair cost and repatriation wasn't covered in these circumstances.

I've looked at Mr M's policy terms to see what cover was in place to return him home along with his luggage. The terms say RAC will provide alternative transport for Mr M and any passengers if the cost of repairs is greater than the car's market value. So, this cover was applicable in Mr M's circumstances. The options include the choice of a hire car or 'alternative' transport. The alternative transport includes a standard class ticket by air or rail, a taxi, or public transport.

Mr M opted to fly home. The policy terms limit the cost of air travel to £125 in these circumstances. The flight he took included a luggage allowance for 20kg. Mr M said he had five suitcases so clearly this allowance wasn't enough. But I can't see that his policy provided cover for this amount of luggage to be transported back to the UK.

RAC explained that it's contractually required to pay storage fees when a vehicle is awaiting repatriation. The records show storage costs were initially covered from when Mr M's car arrived at the garage. But once it was confirmed there was no cover for repatriation, storage charges were applied. From what I've read the application of these charges meet with the policy cover Mr M had in place. So, I don't think RAC acted unfairly here.

I acknowledge Mr M's comments that he had to scrap his car and received nothing for it. I can understand his disappointment. But again, I can't see that RAC acted unfairly given the cover Mr M had in place.

Having considered all of this, I don't think RAC acted unfairly in how it handled Mr M's claim. It did so according to the policy cover he had in place. It must have been a stressful experience for his car to breakdown in a foreign country and the information provided by the recovery driver wasn't correct. But I think RAC did enough to clarify the situation shortly after this mistake was made. So, although I'm sorry to disappoint Mr M I can't fairly ask it to do anymore.

### **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 M to accept or reject my decision before 16 July 2025.

Mike Waldron  
**Ombudsman**