

The complaint

Mr M complained about Financial & Legal Insurance Company Ltd. He isn't happy about the way it dealt with a claim under his breakdown assistance insurance policy.

Any reference to Financial & Legal includes any agents that it is responsible for unless specified.

What happened

Mr M took out a short-term European breakdown insurance policy with Financial & Legal just before he went abroad. He took out the policy just before going away for the duration of his trip and he looked to make a claim as his car broke down as he was returning home to the United Kingdom. But Financial & Legal told Mr M that he wasn't fully covered as he hadn't told it he was going abroad but it agreed to pay him 75 Euros which is the amount it would have paid for local recovery costs.

As Mr M wasn't happy about this he complained to Financial & Legal. He had incurred significant costs repatriating his vehicle and he could not understand why he needed to tell Financial & Legal he was going abroad when he had taken out cover for the month period he was travelling abroad for. However, Financial & Legal maintained its position and explained that the policy would not have covered his repatriation costs in any event. So, Mr M complained to this Service.

Our Investigator looked into things for Mr M and eventually upheld his complaint. Although she accepted that the need to tell Financial & Legal that Mr M was going abroad was outlined in the policy documentation she didn't think this was clearly brought to Mr M's attention. But she thought that Mr M would only be entitled to 75 Euros under the policy for local recovery in any event so she thought that was fair. However, she thought Mr M should be paid £100 compensation as he was incorrectly told that he couldn't claim and he wasn't made fully aware of the need to tell Financial & Legal that he was going abroad before travelling.

As Financial & Legal didn't agree the matter has been passed to me for review.

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.

Financial & Legal's agent feels that Mr M's complaint shouldn't be upheld as the need to tell it that he was travelling abroad is clearly highlighted in the sales journey that Mr M undertook and in the policy documentation. But the difficulty here is that Mr M has provided a copy of the email he received when he took out the policy and it shows a different sales journey and importantly doesn't highlight that he needed to tell it when he was travelling abroad. When our Investigator asked Financial & Legal to provide a copy of what it sent to Mr M it was only able to provide screen shots of his likely journey from a completely different period of time. And it felt that the need for Mr M to notify them before travelling was clear elsewhere on the sales journey and it felt that similar complaints hadn't been upheld by this Service previously.

As Financial & Legal is aware each case is considered on its own merits and my difficulty with Financial & Legal's position here is that this is a significant clause and the failure of a consumer to highlight that they are travelling abroad significantly restricts cover. While some of the sales journey highlights this Mr M's final email confirmation does not. And as Financial & Legal hasn't provided anything to show otherwise I'm satisfied that Mr M's email finalising cover doesn't highlight the need for him to notify Financial & Legal when he was going abroad. Plus, I know that the need to notify is in the policy documentation, but it is tucked away over halfway down the 11-page policy document and so I don't feel it's clearly highlighted.

I've seen the Insurance Product Information Document (IPID) which is meant to highlight any significant terms and conditions and the need to notify the business of travelling abroad before the journey commences isn't on the document and I would expect it to be. I say this as this is a significant term and the only reason Mr M took the policy out, shortly before travelling abroad, was for breakdown cover while travelling abroad so I would expect a significant term like this to be clearly highlighted in the IPID.

Furthermore, I would expect to be shown why Mr M needed to let Financial & Legal know the exact dates he was travelling and the impact of not letting it know. Mr M took out the short-term policy explicitly for the months journey he was about to undertake, and he simply missed this requirement as it wasn't abundantly clear. But I would expect Financial & Legal to be able to show why it was impacted by the failing if it wanted to exclude or restrict cover. For example, if this was a yearly policy that was restricted to a certain number of days cover then I could understand why it would need this information. But in this instance the cover was needed for the duration of the policy, and I haven't been provided with any explanation as to why Financial & Legal needed to know why or any detriment to it not being told before the journey commenced.

Further, as Financial & Legal is aware under the industry rules and Consumer Duty firms have a duty to give consumers information they need to allow them to make clear and informed decisions. And I don't think things were clear enough for Mr M here. I say this as he simply took out cover for his period of travel abroad just before commencing his journey and so I can understand why he didn't realise he would need to do anything further as he had already outlined his requirements.

I haven't been provided with the detail of the costs Mr M incurred in recovering his vehicle but I'm sure if it was a straightforward repair then he would have undertaken this rather than incur the significant costs of repatriation. And the policy doesn't cover the costs of repatriation so I will not interfere with Financial & Legal's offer to pay 75 Euros in line with the policy to cover local recovery costs.

However, I agree with our Investigator that Mr M should be awarded £100 by way of compensation. I say this as Financial & Legal should have considered the claim in full and I'm sure its failings caused Mr M a fair degree of stress and inconvenience as he was stranded abroad without assistance. And having to arrange the recovery of his vehicle without assistance would have been stressful and worrying.

My final decision

It follows, for the reasons given above, that I partly uphold this complaint. I require Financial & Legal Insurance Company Ltd to pay Mr M 75 Euros and £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 October 2025.

Colin Keegan
Ombudsman