

## The complaint

Mr M complains that RAC Insurance Limited ('RAC') declined to cover a claim he made on his breakdown insurance policy.

## What happened

Mr M purchased a motor breakdown policy in May 2023 while his vehicle was located at his property abroad. He then flew to his property and intended to drive his vehicle back to the UK. Unfortunately, on the way back home, his vehicle broke down and he contacted RAC to make a claim.

RAC declined cover as they said Mr M's claim didn't meet the policy's definition of a 'journey'. Mr M disagreed and raised a complaint to RAC - but they didn't uphold the complaint. They said the policy provided cover *"whilst you are using the vehicle on a journey from the UK to Europe."* And they said as Mr M hadn't originally set out from the UK in the vehicle, there was no cover. Mr M remained unhappy with RAC's response – so he brought the complaint to this Service. I issued a provisional decision of this complaint, and I said the following:

*"I should first set out that I acknowledge I've summarised Mr J's complaint in a lot less detail than he has presented it. However, in this decision, I haven't commented on each and every point raised, but instead I've focussed on what I consider to be the key points I need to think about to reach a fair outcome. I don't mean any discourtesy about this, but it simply reflects the informal nature of this service. I assure Mr J, however, that I have read and considered everything he's provided."*

*The key issues in this complaint come down to two points here is whether Mr J's use of his vehicle was covered under the terms of the breakdown policy. The relevant policy definition says:*

*"'journey' means a trip to Europe which begins on departure from home on or after the start date and ends on return home during the policy period".*

*It's not in dispute that the policy was provided to Mr M personally. But I think the terms of that policy are clear that a vehicle must be used for a journey that begins in the UK and then travels to Europe during the period of cover. While I can understand why it may appear that Mr M travelling to Europe to collect his vehicle could appear to fall in to cover, there is also an explanation of the intention of the cover provided which says:*

*"This policy is intended to offer services in the event your vehicle breaks down or is in a road traffic collision whilst you are using the vehicle on a journey from the UK to Europe."*

*But Mr M's vehicle was already abroad when the policy was purchased; and this means Mr M did not drive the vehicle from the UK as part of a journey during the policy period. Instead, he flew abroad to collect the vehicle. This means the vehicle*

*was already in Europe when cover started, and therefore there was no qualifying journey from the UK to Europe within the terms of the policy.*

*I appreciate that Mr M may feel that because he originally took his vehicle from the UK to Europe, flew home and purchased cover, and then returned to Europe to drive the vehicle home, this would count as a journey within the meaning of the policy's terms. However, I'm not persuaded this would be a fair or reasonable conclusion to reach in the circumstances of this particular complaint.*

*That's because Mr M had already returned to the UK and then purchased the policy ahead of going back to Europe. I think this would cause a natural break in the continuity of a journey under the terms. I also don't think this is how the policy was intended to operate, and I think this reflects a common industry practice of how breakdown policies like these usually work, in order to mitigate uncontrolled risk.*

*Ultimately, RAC's obligation is to follow the agreed terms of the policy. I'm satisfied those terms clearly require the vehicle to be on a journey from the UK to Europe during the policy period and that is the natural intention of the terms. What's more, the specific terms are clearly highlighted early on in the policy wording. So, because Mr M's vehicle was already abroad before cover began and was not driven out from the UK as part of a journey during the policy period, I think RAC acted reasonably when they declined to cover the claim.*

*In line with my requirements under DISP 3.6.1R, to determine a complaint on the basis of what I consider to be fair and reasonable in all the circumstances of the case, I'm satisfied that this approach produces a fair outcome.*

I said I did not intend to uphold this complaint and I invited both parties to provide their responses or any final submissions for me to consider. RAC replied and said they accepted my provisional findings. Mr M did not provide a response or any further information for me to consider.

### **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, and in the absence of anything further to consider from the parties, I don't see any reason to depart from my provisional findings above. I remain satisfied that the policy's terms clearly require the vehicle to be on a journey from the UK to Europe during the policy period – and because Mr M's vehicle was already abroad before cover began, I find that RAC acted reasonably when they declined to cover the claim.

### **My final decision**

For the reasons I've given above, my final decision is that I do not intend to 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 22 August 2025.

Stephen Howard

**Ombudsman**