

## **The complaint**

Miss H complained about how RAC Insurance Limited handled her claim under her motor breakdown insurance policy.

## **What happened**

Miss H had key cover under her policy requiring RAC to replace her car key if accidentally lost, broken, or stolen. She said they delayed attending to replace her key, damaged her car, and refused to cover her alternative travel expenses upfront. She wanted £500 for the damage to her car and £500 in compensation for the stress and inconvenience she said the situation had caused her.

RAC didn't agree that they'd damaged her car. They said that any issue was due to pre-existing wear and tear. However they accepted that their delayed attendance didn't meet their expected level of service and offered her total compensation of £210 for this.

The investigator didn't recommend that the complaint should be upheld. He thought that it hadn't been shown that RAC were responsible for any damage. And that although RAC had delayed, they'd acknowledged that and had compensated her fairly and reasonably for it. Miss H didn't agree and so I've been asked 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.

As Miss H has made specific references to Consumer Rights legislation and FCA Principles I'll mention here that the Financial Ombudsman Service offers a dispute resolution service that is an alternative to the courts. I must have regard to the law, but I won't detail it. That's because ultimately my role is to provide a resolution based on what I consider to be fair and reasonable based on all the evidence and the circumstances described.

### *Delay in attending*

Miss H reported her key cover claim to RAC on about 23 January 2025. RAC said that their locksmith agent would attend her car on 29 January. But due to an error at their agent's, they didn't attend until 3 February and then had to attend again later to fix the replacement key blade. Although RAC said they don't guarantee timescales because they have to rely on the availability of local locksmith agents, I don't think that delay was reasonable. It increased what was already a stressful period for Miss H as she was without a car she needed daily, including for the school run.

RAC accepted that this delay didn't meet their expected level of service and offered Miss H total compensation of £210 for it. She felt that wasn't enough and said she didn't receive it. I see that the delay did cause her inconvenience and distress, but I think that the level of compensation RAC have offered does fairly reflect that and is in line with our level of awards.

This means that I do expect RAC to pay her the £210 compensation they promised, but I don't ask them to pay any more regarding that.

#### *Out of pocket travel costs*

Miss H thought that RAC should have paid for her alternative travel costs upfront and not required her to provide receipts. She said she'd paid cash for some of her taxi journeys and that RAC's claim process for this was unfair and inconvenient. However RAC explained that they required receipts for auditing purposes. Insurers do generally ask for receipt for out-of-pocket costs claimed, and we don't think that is unreasonable. RAC agreed to reimburse Miss H's travelling costs necessitated by their delay in replacing her key and were willing to accept either receipts or a letter or email from the taxi company she used confirming the costs of the journeys, and I think that's fair of them. I would expect RAC to pay her evidenced expenses, as they've offered.

#### *Issue with her car's locks*

Miss H said that her car's central locking system worked fully before RAC replaced her key and it didn't afterwards, because she couldn't open the car's boot and one of the doors, and so she couldn't use her car for a month. She said that RAC's agent's involvement caused the damage. RAC denied this and said that there was pre-existing wear and tear to the lock barrels. But Miss H said there were no such problems with her car beforehand.

As the investigator explained to Miss H, we don't assess whether or how damage to a car would be caused, or by whom. This is a matter for the experts in these situations, the insurance companies, and engineers. Our role in these complaints is to determine whether the business has considered all the available evidence and whether they can justify their decision to not pay for such additional repairs. We look at all the available evidence - including anything provided by the consumer, the insurer, and the repairer.

RAC sent us the comments from the locksmiths and their engineer's opinion. These provided a detailed account and analysis of the matter. They concluded that a single key operated all the car's locks, so if the key was defective, it wouldn't open any of them. They thought that this suggested wear and tear in the other lock barrels, and that the lock barrels may have worn down meaning the new key may not as turn as easily.

Miss H provided a mechanic's report which simply stated there was evidence that the internal lock mechanisms had been damaged or compromised during the key replacement process because the key was not properly cut or programmed to match the car's full locking system, and that this had caused access issues and may have led to mechanical damage to the locks. It said that the locks and key system required corrective work to restore full functionality, and that the estimated cost for repair and replacement was £500, but this was not itemised.

RAC said they tried to contact the mechanic to discuss their findings, but it went straight to voicemail, and they'd been unable to contact him by other means as no other contact details, such as a business address, appeared on the report.

They said that if Miss H instructed an independent professional engineer to examine the car and report on the issue and that report confirmed that the damage had been caused by RAC's locksmiths, they would consider the claim further and pay for that damage. They'd also pay for the cost of obtaining that report. That's what we'd expect an insurer to do in this situation, and I think it's reasonable of them.

But as that hasn't happened, I can only consider which of the two competing reports is more persuasive as to the likely cause of the problem. I am more persuaded by RAC's expert's account because it is detailed and specific and considered other possible options for the

cause of the problem and addressed those. It provided a detailed analysis before making a reasoned conclusion. Miss H's mechanic's report did not explain what evidence its opinion was based on and did not consider or address other possible causes of the damage, in particular what RAC had said about that. And so, given the evidence that was available to RAC, I don't think they acted unreasonably in deciding that they were not responsible for the problem with Miss H's car. I also haven't been shown that they failed to communicate with her clearly and fairly.

Although I do realise that this will be disappointing for Miss H, I don't expect RAC to do any more in that regard. I think that overall their offer of compensation for their admitted delay is reasonable in the circumstances and reasonably reflects the inconvenience caused.

### **My final decision**

For the reasons I've given above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 10 November 2025.



Rosslyn Scott  
**Ombudsman**