

The complaint

Mr H and Mrs H complained that RAC Insurance Limited declined their claim under their European breakdown cover policy.

What happened

Mr H and Mrs H were in Europe when a red fault warning light came on in their car. They asked RAC for help under their policy. But RAC declined their claim. They said Mr H and Mrs H had breached the policy terms because they'd asked a garage about the fault before they asked RAC.

So Mr H and Mrs H organised for their car's repatriation back to the UK and for their alternative travel arrangements home, both at their own expense. They wanted RAC to refund those costs.

The investigator recommended that the complaint be upheld. She thought RAC hadn't acted fairly or reasonably. RAC 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.

Mr H and Mrs H said that a red fault light on their car came on. It related to their car's exhaust filter. They consulted the manufacturer's handbook which said to contact an authorised repairer. It didn't say not to drive the car. They drove to a local garage, but that garage was fully booked and couldn't investigate the problem. Mr H and Mrs H drove back to their hotel about 30 miles away and phoned another local garage and also a UK garage, who recommended that they didn't drive the car. At that point, Mr H and Mrs H contacted RAC.

But when RAC heard Mr H and Mrs H had already asked a garage they declined to attend to investigate the issue. This was because their policy term at page 2 said :*"We'll only provide cover if we arranged help. Please don't go to a garage or other recovery service."*

RAC said this was a fundamental policy condition and was not unreasonable. It was designed to protect RAC by preventing situations where driving a vehicle with a known fault led to increased service costs. RAC believed that because Mr H and Mrs H spoke to other garages first, they didn't follow the policy terms and their actions directly contributed to the complexity and cost of the case.

I don't think that RAC's above policy term is an unreasonable one. But I also have to look at whether RAC applied it fairly here.

The garage to which Mr H and Mrs H took their car didn't do any work on the car. They already knew the issue related to the exhaust filter because of the specific warning light which was on, so the garage didn't diagnose that either. The garage didn't give them advice

as to whether or not to drive it. So I'm not persuaded that Mr H and Mrs H's contact with that garage made any material difference to their actions. They didn't give advice that prejudiced RAC's position.

The other garages Mr H and Mrs H phoned merely suggested that they not drive the car. So again the garages didn't tell them to do anything which would have prejudiced RAC's position. And so Mr H and Mrs H didn't do anything prejudicial as a result of those garages' suggestions.

Further, even if the policy did require Mr H and Mrs H to contact RAC first after having a breakdown, they didn't think that their car having a red light constituted a breakdown. They said they'd looked at the policy definition of breakdown, and they didn't see how their contacting other garages when they did could have breached the above policy term or prejudiced RAC.

I've looked at Mr H and Mrs H's policy. In it "*Breakdown*" is "*An event that stops the vehicle being driven due to mechanical or electrical failure.*" It also says that "*Where the breakdown is caused by a component failure this must stop the vehicle working. Faulty air-conditioning or the illumination of a warning light for example would not, on its own, be a breakdown.*"

When Mr H and Mrs H asked RAC for help, there'd been no event that stopped their car being driven. A warning light was illuminated but, as the policy confirms, that on its own did not constitute a breakdown. So I don't think Mr H and Mrs H could reasonably have been expected to know that when their car's red light went on, they shouldn't contact anyone before RAC.

No repair work was done to the car before Mr H and Mrs H asked RAC for help, and at most by phoning the other garages they only obtained a little more information. But I've not been shown that that such information either did prejudice, or could have prejudiced, RAC's position. And so I think it was premature of RAC to decide in those circumstances that they wouldn't attend Mr H and Mrs H's car because they'd asked other garages while believing that their car was not in breakdown as defined. So I think that was unfair and unreasonable of RAC. RAC also said that if Mr H and Mrs H had contacted them first, the car might have been repaired locally and wouldn't have required repatriation. But RAC's decision to decline assistance without adequately assessing whether the prior contact had prejudiced them itself denied them that chance.

Due to RAC's actions, Mr H and Mrs H felt they had no choice but to repatriate their car back to the UK at cost of over £1,000 and arrange their own train transport back to the UK themselves at about £400. These are matters which the policy covers. I think that RAC should reimburse Mr H and Mrs H those costs on receipt of invoices, plus interest at 8% from the date they made those payments.

My final decision

For the reasons given above, my final decision is that I uphold this complaint, and I require RAC Insurance Limited to:

- Reimburse Mr H and Mrs H the costs for their car's repatriation and their travel costs home to the UK, plus 8% from the date Mr H and Mrs H made those payments until the date RAC reimburses.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 10 April 2026.

A handwritten signature in blue ink that reads "R. Scott". The letters are cursive and fluid.

Rosslyn Scott
Ombudsman