

## **The complaint**

Mr S and Mrs S complain that RAC Insurance Limited wouldn't replace their car's battery following a claim on the Battery Replace cover of their Roadside Assistance Insurance policy. They want it to reimburse their £132 costs and pay them compensation for their trouble and upset.

## **What happened**

Mr S had been a member of RAC for many years and his policy at the renewal in 2023 included battery replacement cover. Mr S had bought a hybrid vehicle, and the policy was changed from vehicle-based to personal cover for him and Mrs S. Mr S said that at the time RAC told him that the previous cover, including battery replacement, would remain the same. But RAC said it had told Mr S that hybrid batteries were excluded from battery replacement.

Mr S's new car's battery then failed, and he made a claim on his policy. But RAC said the battery cover was limited to one car only, and Mr S's other car was nominated on the policy. Mr S said the agent then told him that he could switch the nominated cars, which he did. But then an exclusion applied during the seven-day cooling off period and the replacement wasn't covered.

Mr S said the agent told him that the replacement cost would be reimbursed if he provided an invoice. But RAC still said this wasn't covered. And RAC said it had told Mr S that hybrid car batteries weren't covered by the policy.

Our Investigator didn't recommend that the complaint should be upheld. He thought the policy excluded the replacement of hybrid car batteries. The renewal call with Mr S was no longer available. But he thought the exclusion was clearly set out in the policy's terms and conditions. He also thought RAC could rely on the policy exclusion for at home cover to decline the claim. So he thought RAC hadn't done anything wrong or needed to pay Mr S any compensation.

Mr S replied providing an extract from his policy's terms and conditions showing that the exclusion didn't apply to 12v batteries in hybrid cars. He thought it was convenient for RAC to not have retained the renewal call. Mr S asked for his complaint to be reviewed by an Ombudsman, so it's come to me for a final decision.

## **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.

I can understand that Mr S and Mrs S feel frustrated that their claim was declined when they have always had battery replacement cover. And I think there's been some confusion about the reasons for this. Our Investigator referred to the lack of "at home" cover which may have led to the decline. But this isn't relevant as this wasn't the reason why RAC declined Mr S's claim.

RAC said, in its response to Mr S's complaint, that there had been a misunderstanding at the renewal in 2023. Mr S renewed his breakdown cover, but he added a hybrid car to the policy. RAC said the agent explained that it couldn't cover the hybrid battery, and a second car couldn't be added to a vehicle-based policy. So the policy was changed to personal rather than vehicle cover so that Mr S and Mrs S could claim on any car, including the second car.

Mr S said he understood that his cover would remain the same for both cars, including battery cover. But RAC said this only applied to one nominated vehicle, which was Mr S's other car.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

I've looked at the renewal documents from 2023. These state that the policy is for personal cover for Mr S and Mrs S. But, in the section on battery replacement cover, only one vehicle is said to be covered. From the registration, I can see this isn't the hybrid car, but the other car owned by Mr S and Mrs S.

I've then looked at the policy documents from 2023. Under Battery Replace on page 13 of the policy booklet, it states:

*"Your schedule will list which vehicles are covered by this policy." And, under Not Covered, "Electric or hybrid vehicles..."*

And on the summary document or Insurance Product Information Document (IPID) for 2023 it states under Battery Replace that:

*"We won't cover electric vehicles or hybrids"*

Mr S provided an extract from another policy stating under the exceptions to Battery Replace:

*"Electric or hybrid vehicles, except the 12v battery."*

But, from what I can see this is for the most recent renewal. Therefore this doesn't apply to Mr S's claim for the policy year 2023 – 2024 where there is a blanket exclusion for hybrid vehicles' batteries.

So I'm satisfied that the exclusion from cover is clear and was sufficiently brought to Mr S's attention in his policy document and in the IPID for RAC to rely upon it. So I've then thought about whether it was fair and reasonable for RAC to decline the claim.

Mr S said that when he changed from vehicle-based to personal cover, he was assured that his cover would remain the same. Unfortunately, the renewal call for 2023 isn't now available. I can't reasonably hold RAC at fault for not retaining the call as it was deleted in keeping with its process.

So I can't say for certain what the agent then told Mr S about his cover. And I have to rely on Mr S's recollection and what RAC said was in the call when it responded to Mr S's complaint a year after the renewal, which I've set out above. RAC agreed there had been a misunderstanding, but it thought this was limited to the terms and conditions of the battery replacement cover. And I can't say whether or not these were clearly explained to Mr S at the time.

But the limit of the cover to one nominated car (Mr S's other vehicle) and the policy exclusion are confirmed by the policy documents which I can see were emailed to Mr S at the time. I think it was for him to review these documents and check that the policy met his needs. So I can't say that RAC acted unfairly or unreasonably when it then declined cover for the battery replacement of the hybrid car.

Further, RAC has provided us with its calls with Mr S when he made his claim. The breakdown technician said he couldn't locate the new car on Mr S's policy for battery replace. The customer service agent then confirmed that this would only apply to one nominated car, which was Mr S's other car. Mr S didn't dispute this, so I think he then understood that it would apply to only one car.

The agent offered to change the car on cover without understanding that this wouldn't be covered as it was a hybrid car. Another agent then changed the car on the policy, but he warned Mr S that it would take seven days for the cover to apply. The next day, another agent again confirmed that the battery replace would only apply to one specified car. I didn't hear the agent tell Mr S that it would reimburse him for his private arrangement to replace the battery.

I can see that the declined claim caused Mr S trouble and upset. But I think RAC was consistent in pointing out that the battery replace cover would only apply to one car. It should have warned Mr S that there was a seven-day cooling off period when he changed the car specified for battery replace, meaning he wouldn't be covered. But Mr S's hybrid car wouldn't have been covered for battery replace in any case because of the exclusion set out above. So I can't say that this misunderstanding caused Mr S any loss.

So I'm satisfied that RAC declined Mr S and Mrs S's claim fairly and reasonably and in keeping with the policy's terms and conditions. So I don't require it to reimburse Mr S and Mrs S for the cost of the battery replacement.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 12 March 2026.

Phillip Berechree  
**Ombudsman**