

The complaint

Mr B complains that RAC Financial Services Limited ("RAC") didn't renew his European Rescue & Recovery policy which meant he wasn't covered when his car broke down.

What happened

Mr B had a rescue & recovery insurance policy through RAC.

In 2021 he paid for his policy with a one-off credit card payment. In 2022 his policy was due for renewal on 22 September.

In August 2022 RAC wrote to him, sending a copy of the policy wording for his cover. It said it hadn't sent him one before. Mr B also said there were two copies of the policy wording sent together.

Mr B said he also received his renewal documents on the same day, but in a separate envelope. Mr B thought his cover had renewed.

He went to Europe in summer 2023 and his car broke down in July. He called RAC to make a claim and was told he wasn't covered as his policy had expired.

He complained to RAC. It said it hadn't renewed Mr B's policy as he'd not contacted it. Because he hadn't got in touch, the 22-23 policy wasn't in force so there wasn't any cover for his claim.

Mr B remained unhappy and brought his complaint to this service. Our investigator looked into his complaint and thought it wouldn't be upheld. He said he thought RAC's renewal document was clear and Mr B should have checked whether he'd made payment for the policy or not.

Mr B didn't accept the view. He asked that his complaint was reviewed by an ombudsman, so it's has been passed to me to make 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'm not upholding Mr B's complaint and I'll explain why.

RAC has sent this service copies of the documents it sent to Mr B in August 2022. I can see from those, and photos of the received letters, that at some point in the 2021-22 policy period, RAC realised it'd made a mistake in how it had set up Mr B's policy. I've not seen evidence about how or what exactly had happened, but it seems to me that RAC realised Mr B might not have had his policy documents, so it sent another set. I think this is fair and reasonable.

Mr B has shown that he received two copies of the policy booklet. I'm not sure why this

happened, it may have been an error made by RAC. But I don't think that matters here and I'll continue to explain.

Around the same time, RAC sent its renewal invite. Mr B has sent his service a photo of part of the renewal invite, which refers to the cover he thought he had. But, importantly, this wasn't the front page of the renewal invitation and I can tell this because it's not formatted in a way I'd expect to see. RAC's copy of the entire renewal document contains wording explicitly saying Mr B needs to call it to renew.

Mr B has said he only received this page of the renewal. I've thought carefully about this and I think it's more likely than not that it was part of the formal renewal offer document and on the evidence I have, I think RAC reasonably sent this pack of information to him.

In his approach to this service I can hear that Mr B says words to the effect of "*I assumed it had been renewed either on one of those rolling things or that I'd phone a month earlier or something and forgot about it.*" I think these words are at the centre of this matter.

I've said above I think it's reasonable that RAC did issue Mr B with his renewal documents. I also think it's fair I say that those documents clearly said Mr B needed to call it to renew. Mr B, for whatever reason, then didn't call, and so his policy didn't renew.

Clearly the cover was important to Mr B and he needed it for his journeys in the UK and Europe. At any time, I think Mr B could have checked to see if he'd paid for the cover. Or, if he was confused about the notices he received then he could have called RAC and checked with it the purpose of their correspondence with him.

Mr B didn't take the opportunities to check any of this, and I can't reasonably say that's the fault of RAC.

Mr B has also talked about the possibility of a goodwill payment from RAC to help pay for his costs. A goodwill payment is a commercial decision made by a company and doesn't form part of an insurance claim, or fall under the jurisdiction of this service, so it's not something I'm able to comment on here.

My final decision

For the reasons set out 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 B to accept or reject my decision before 9 January 2024.

Richard Sowden
Ombudsman