

## **The complaint**

Mr and Mrs R complain that Acromas Insurance Company Limited mishandled their claim on a caravan breakdown assistance insurance policy.

## **What happened**

In about 2010, a large European vehicle manufacturer made a van or motorhome. Since at least 2017, Mr R had that vehicle.

Mr and Mrs R had the motorhome covered on a breakdown assistance policy. That contained separate sections covering breakdowns in the United Kingdom and in Europe. Acromas was responsible for dealing with any claim for a breakdown in Europe.

Unfortunately, in early June 2022, the motorhome broke down in continental Europe. Mr and Mrs R called for help under the policy. They waited about a day for a recovery vehicle. When it arrived it was too small. But it took the motorhome away, leaving Mr and Mrs R at the roadside.

The recovery vehicle took the motorhome into storage for about three weeks. Mr and Mrs R stayed in a tent for two weeks, a bungalow for two nights and then a villa.

On about 27 June 2022, a recovery vehicle took the motorhome to a garage franchised by the vehicle manufacturer. The garage said it couldn't look at the motorhome until 4 July 2022. Later, the garage said that it would take a further three weeks to get parts for the repair.

So Mr and Mrs R cancelled or postponed the ferry crossing they had booked for 10 July 2022. They flew back to the UK.

After the garage did some repairs, Mr and Mrs R flew out to collect the motorhome. They paid the garage €3,767.48. But the motorhome wouldn't start. So they had to pay for a new battery.

On reaching a campsite, Mr and Mrs R noted damage. That included damage to an electrical socket, the step, the leisure battery, the cupboards and some paintwork. Also some tools were missing.

They caught a ferry back to the UK. Mr and Mrs R complained to Acromas about delay, damage and costs.

They cancelled a ferry crossing and trip they had booked for October 2022.

By a final response dated 11 October 2022, Acromas said it wasn't responsible for the actions of the recovery company or the garage. Acromas apologised for its poor communication and said it was sending a cheque for £250.00.

Mr and Mrs R brought their complaint to us in mid-October 2022.

### *our investigator's opinion*

Our investigator recommended that the complaint should be upheld in part. She thought that the recovery had caused distress and inconvenience. She recommended that Acromas should:

1. consider the costs Mr and Mrs R paid for emergency accommodation, taxis, hire cars, and the flights to collect the motorhome in line with the relevant terms, and make a payment for the eligible costs on receipt of the required receipts and in line with the policy limits; and
2. arrange repair of any damage that occurred whilst the motorhome was in storage pending repair, or make payment of this on receipt of the invoice if Mr and Mrs R have already had this fixed; and
3. make payment of an additional £100.00 compensation for the distress and inconvenience caused by the delay experienced with their recovery.

### *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mr and Mrs R and to Acromas on 21 June 2023. I summarise my findings:

Under the rules, I would deal only with the complaint that Mr and Mrs R made to Acromas before the final response.

Keeping in mind that the policy terms said that Acromas wasn't responsible for the recovery agent or the garage, I didn't hold Acromas responsible for any acts or omissions of the recovery agent or the garage.

Acromas caused Mr and Mrs R distress and inconvenience. Each of them had health issues and worries about what they could afford. So the impact on them was magnified.

Subject to any further information from Mr and Mrs R or from Acromas, my provisional decision was that I upheld this complaint in part. I intended to direct Acromas Insurance Company Limited to pay Mr and Mrs R (jointly and insofar as it hasn't already made such payment) £500.00 for distress and inconvenience.

Mr and Mrs R disagreed with the provisional decision in part. She says, in summary, that:

- Luckily, they had managed to pull the motorhome in a bit at the side of the road and it was on a dual carriageway. Acromas said a recovery vehicle would be with them within a couple of hours. But that turned out to be 24 hours from breakdown.
- She explained that everything they had was in the motorhome. The recovery driver said he was taking it. They had only a few desperate minutes to get two carrier bags with medication, clothes, phones, money etc.
- The driver said they would have to ring up to find out where the motorhome was later that day. He took it over 70 miles away. He left them at the roadside.
- They didn't expect it to be about 8 weeks before it would be repaired.
- There was nothing wrong with the batteries. But the garage let them run down and blew the electrics and leisure battery restarting it all the time. The battery wouldn't start the motorhome. The garage was jump starting it and said it should charge up on

the road. She told them she couldn't rely on that as, once they stopped, they wouldn't be able to start it again. The garage said it needed a new battery. They had to buy a new battery at the garage.

- Nothing was working because the garage had blown the leisure battery and damaged the electrical socket. They needed to rush to the ferry crossing, petrified the motorhome would break down again.
- A ratchet screwdriver set, a small drill and a roll of gaffer tape were missing from the motorhome.
- They weren't sure if they would be able to repair all the damaged items. They used all their savings paying out for everything and hadn't received a date to be reimbursed. So in September 2022, they didn't pay for their planned crossing in October 2022 and cancelled it.
- They have not received any offer from Aromas other than the £250.00 which they were disgusted at. She tried many times to get in touch with Acromas and was passed from pillar to post. She didn't actually get to speak with them as she kept getting cut off.
- She is a cancer survivor. She had to do her best to keep calm in extremely difficult circumstances. Acromas knew how stressed she was in the phone calls.

Acromas disagreed with the provisional decision. It says, in summary, that:

- It didn't fail to contribute to Mr and Mrs R's expenses.
- It is responsible for the poor communications.
- There's no justification for awarding £500.00 in total. The investigator's recommendation of a further £100.00 would be reasonable redress.

### **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.

#### Policy terms

The policy terms included the following:

*"Third party service providers, including garages, repairers, recovery operators, car hire companies, etc. are not approved by the ... Caravan Breakdown Assistance cover and do not act as agents of the ... Caravan Breakdown Assistance. ...Caravan Breakdown Assistance cannot be held liable for any acts or omissions of any such garages or other third parties. ... Vehicle recovery is not ...Relay and usually Vehicles are only recovered unaccompanied."*

The policy terms said that Acromas would pay for roadside assistance, towage and up to £100.00 for garage labour. The policy terms said Acromas wouldn't pay for spare parts. So the policy didn't cover the cost of garage repairs beyond £100.00 for labour.

The policy said that Acromas would pay for additional travel expenses up to £1,400.00 per party per trip. I'm satisfied that – in the context of this policy – "party" meant (together) the driver and any other persons travelling in the vehicle.

The policy said that Acromas would pay for emergency accommodation up to £900.00 per

party per trip.

The policy said that Acromas would pay for one person's travel and accommodation costs to go overseas to collect the vehicle. That was subject to a limit equivalent to the value of the vehicle.

### Scope of the complaint

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules. One of those rules means that - before we can investigate a complaint – the consumer must first have made that complaint to the regulated business and waited for up to eight weeks for a final response.

Mr and Mrs R complained to Acromas in August 2022. In early September 2022, they sent Acromas a claim form for their outlay.

I've seen an email dated late January 2023 in which Acromas said it was working on the claim.

Mrs R told us in February 2023 that the claim was for about £1,000.00 and about €6,000.00 (including repair of the vehicle).

Acromas told us in May 2023 that it had made an offer of £2,429.78 but Mr and Mrs R hadn't responded.

So, whilst we can anticipate that Mr and Mrs R may wish to complain to Acromas that it hasn't offered enough in response to their monetary claim, they haven't yet made such a complaint to Acromas or brought it to us.

Under the rules, I will deal only with the complaint that Mr and Mrs R made to Acromas before the final response.

### Findings on the complaint

Notwithstanding that the policy said that vehicle recovery would be unaccompanied, I consider that Acromas should've done more to manage Mr and Mrs R's expectations and to prepare them for the recovery.

There was delay in the recovery. After the recovery to storage, there was further delay in finding a garage that could take the motorhome and do the repairs. After it was booked in, there was delay in transporting the motorhome for the garage to assess. There was further delay in starting work.

Keeping in mind that the policy terms said that Acromas wasn't responsible for the recovery agent or the garage, I don't hold Acromas responsible for any of this delay.

The policy only covered roadside assistance, towage and up to £100.00 for garage labour. So, keeping in mind that the policy terms said that Acromas wasn't responsible for the recovery agent or the garage, I don't hold Acromas responsible for any acts or omissions of the recovery agent or the garage. That includes any damage caused to the motorhome in storage or at the garage.

In addition to failing to prepare Mr and Mrs R for the recovery, I've noted that Acromas was responsible for poor communication for many weeks. I find that the impact on Mr and Mrs R included that they often felt forgotten or ignored. They felt that they had to chase for

progress or updates.

Acromas caused Mr and Mrs R distress and inconvenience. Each of them had health issues and worries about what they could afford. So the impact on them was magnified.

#### Responses to the provisional decision

I've said that I consider that Acromas should've done more to manage Mr and Mrs R's expectations and to prepare them for the recovery.

I've said that I don't hold Acromas responsible for any acts or omissions of the recovery agent or the garage. That includes any damage caused to the motorhome in storage or at the garage.

To be clear, that includes any damage to the electrical socket, the batteries, the step, cupboards and paintwork. It also includes any removal or loss of items from the motorhome.

It is a curious feature of this case that Mr and Mrs R deny Acromas's statement that it has offered (but not yet paid) about £2,400.00 in settlement of the claim. However, I consider that I can't deal with that dispute for the reason set out under "Scope of the complaint" above.

From what Mrs R has said, the cancellation of the planned trip in October 2022 was due to the damage and due to the lack of reimbursement from Acromas.

I haven't held Acromas responsible for the damage, so I don't hold Acromas responsible for the cancellation insofar as it was caused by the damage. I can't deal with the dispute about settlement of the claim, so I can't deal with the complaint about the cancellation insofar as it was caused by lack of reimbursement from Acromas.

I've said that Acromas was responsible for poor communication for many weeks. And Mr and Mrs R each had health issues and worries about what they could afford. So the impact on them was magnified. I find it likely that they were worried about each other.

#### **Putting things right**

Acromas tried to put things right by sending a cheque for £250.00. Overall, I consider that wasn't enough compensation for such distress and inconvenience.

I consider that – keeping in mind the duration and depth of the impact on Mr and Mrs R - a total of £500.00 between them is fair and reasonable in line with our published guidelines on compensation for distress and inconvenience.

#### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Acromas Insurance Company Limited to pay Mr and Mrs R (jointly and insofar as it hasn't already made such payment) £500.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Mrs R to accept or reject my decision before 28 July 2023.

Christopher Gilbert

**Ombudsman**