

The complaint

Mr S complains that AWP P&C SA (AWP) hasn't paid the full cost of his claim, when his motorbike was damaged in a collision whilst he was driving in Europe, under his roadside assistance policy.

What happened

Mr S was involved in an accident whilst riding his motorbike on a touring holiday through Europe. He contacted AWP and it arranged for the repatriation of his motorbike to the UK. Mr S wanted to continue with his touring holiday, but AWP said it couldn't arrange for a replacement motorbike. He says he was told to arrange this himself and the cost would be covered by his policy.

Mr S says he managed to arrange a replacement motorbike. He continued with his holiday and arranged for the rental motorbike to be returned when he arrived at his final destination, before returning home. Mr S claimed for the motorbike rental, the cost of returning it to the rental business, as well as his transport costs for getting home.

Mr S says his losses amount to £4,160.22, which should be covered by his policy. But he says he only received £1,679.18. Mr S received an email from AWP saying his policy limits vehicle rental costs to £80 per day for up to 14 days. He disputed this but says he hasn't received a substantive response and no further payment has been made.

AWP emailed Mr S in March 2023 confirming it would contact him about his complaint. It provided his referral rights to our service in this email.

Mr S subsequently referred the matter to our service. Our investigator upheld his complaint. No information was provided by AWP, so he considered the matter based on the policy documentation Mr S provided. He didn't think the policy limited the daily rental cover in the way AWP had stated. Because of this he says it should pay Mr S the remainder of his claim costs, plus £100 compensation for the distress and inconvenience it had caused.

AWP acknowledged receipt of our investigator's findings but didn't respond to accept the outcome.

As an agreement wasn't reached the matter has been passed to me 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.

Having done so I'm upholding Mr S's complaint. Let me explain.

I've read the policy terms and conditions Mr S has supplied. This confirms there's cover for the repatriation of his motorbike if it can't be repaired in continental Europe, or if the repairs won't be completed before his intended return date. Based on Mr S's testimony this is what

happened here. His motorbike was returned to the UK as the repairs couldn't be completed in Europe in line with the policy terms.

The section of the policy terms entitled, "*Replacement transport*" says:

"Wherever possible we will attempt to provide you with a replacement motorcycle from the repairing authorised [motorbike manufacturer] Retailer. If we are unable to do so then a vehicle will be sourced through one of the major rental companies and you must be able to comply with their conditions of hire."

Mr S wanted to continue with his holiday through Europe and so needed a replacement motorbike. I've read the remainder of the policy terms and conditions, including the exclusions. But there is no reference to a limit on the daily cost of a replacement vehicle or the time period. I've seen the email Mr S received from AWP on 1 September 2022. This says he's only entitled to £80 per day for 14 days of rental. It says it can only reimburse him with £1,120 for the vehicle rental. But it hasn't shown where this limitation is stated in its policy.

We asked AWP to provide its account of Mr S's complaint as well as relevant supporting information. But it didn't respond. I have no reason to doubt Mr S's testimony. I note what he says about being told to arrange motorbike hire himself and that the cost would be covered. Based on the policy information Mr S provided, he had cover in place for AWP to provide replacement transport in these circumstances.

Based on this evidence I agree with our investigator that AWP should cover Mr S's remaining claim costs. There is no reference to a limit on cost or duration for the replacement motorbike. I don't think Mr S behaved unreasonably in arranging the transport he did. So, I don't think AWP treated him fairly in limiting its payment in the way it did. This has no doubt caused Mr S inconvenience and some distress. To acknowledge this AWP should pay him £100 compensation.

My final decision

My final decision is that I uphold this complaint. AWP P&C SA should:

- settle the remainder of Mr S's claim costs in line with the policy terms and conditions; and
- pay Mr S £100 compensation for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 January 2024.

Mike Waldron
Ombudsman