

The complaint

Mr L complains about Inter Partner Assistance SA (“IPA”) and their lack of assistance after his car broke down.

What happened

The claim and complaint circumstances are well known to both parties, so I don’t intend to list them chronologically in detail. But to summarise, Mr L had held a breakdown insurance policy for several years, which he purchased through a broker, who I’ll refer to as “S”. The policy itself was underwritten by IPA for the policy year in which this specific breakdown occurred.

So, when Mr L did break down, he contacted IPA to make a claim. But he was unhappy with the length of time it took IPA to arrange recovery, as well as their communication during the claim itself, which ultimately led to him making his own way home. So, he complained about this, setting out why he felt the policy itself wasn’t worth the premium he paid and because of this, why he wanted all the premiums he’d ever paid towards the policy returned to him.

IPA responded to the complaint and upheld it, accepting the service they had provided fell short of their expectations. And that this had caused Mr L and his family distress and inconvenience at the time. So, they paid Mr L £150 compensation to recognise this. Mr L remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and didn’t uphold it. They explained our service’s remit for this complaint was limited to the service IPA provided. And they explained any complaint about the sale of the policy would need to be directed to the broker, S. And having considered IPA’s service, they were satisfied it wasn’t in dispute that IPA had acted unfairly. But they thought the £150 IPA had already paid to compensate for this was a fair one, in line with our service’s approach. So, they didn’t think IPA needed to do anything more.

Mr L didn’t agree. He didn’t think it was fair for a business such as IPA to charge a premium for a breakdown policy, not fulfil the terms of that policy, and then offer compensation for a lesser amount while keeping the profits for the policies where vehicles hadn’t broken down. So, he maintained his belief his policy premiums should be returned to him.

Our investigators view remained unchanged. And they explained it’s not the role of our service to comment on a business’s overall practice or how they operate, as this would be the role of the industry regulator, the Financial Conduct Authority (“FCA”). Mr L continued to disagree and so, the complaint has been passed to me for a 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.

Having done so, I’m not upholding the complaint for broadly the same reasons as the investigator. I’ve focused my comments on what I think is relevant. If I haven’t commented

on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, I think it would be useful for me to explain what I've been able to consider, and how. This decision focuses solely on Mr L's complaint about IPA and the service they provided when his car broke down in September 2023, as this was the crux of his complaint made to them.

While I note why Mr L believes this service failure means the policy itself isn't fit for purpose, and so was mis-sold to him, this isn't something I can consider as part of my decision. This is because the sale of the policy, and so whether the policy itself met Mr L's expectations and needs, falls under the responsibility of the policy broker, who in this case is "S". So, these issues would need to be handled and considered separately.

I also want to make it clear to Mr L that our service isn't able to comment on, or direct IPA to change, how they operate as a business holistically, as these decisions form part of their commercial decision making. And any investigation into this would be responsibility of the industry regulator, the FCA.

Instead, my decision focuses solely on the actions of IPA, whether these were fair and reasonable and then, what impact was caused to Mr L and his family in their individual circumstance. Because of this, our service does not consider the circumstances or conclusions of any other complaint brought to our service, no matter how similar, when deciding a complaint.

In this situation, I can see that it's accepted by IPA that the service they provided under Mr L's breakdown insurance policy was unfair and unreasonable. So, I think it's reasonable for me to assume the merits of the complaint aren't disputed and I don't intend to discuss them in any further detail.

Instead, I've turned to what I think does remain in dispute, which is what IPA should do to reasonably put things right. I note IPA have already paid Mr L £150 to recognise the distress and inconvenience caused to him. But I note Mr L doesn't think this compensation is enough and he's instead asked for all the premiums he's ever paid to be refunded to him.

I want to make it clear that a refund of all the premiums Mr L paid isn't something I'm able to consider here, as he's held the policy for several years. And this complaint focuses solely on the event being complaint about and so, the policy in place for that year's period. So, any issue Mr L has with the premiums he paid in previous years would be a separate issue and one he'd again need to raise with the broker, who sold the policy to him.

And even when considering the policy period in which the breakdown I'm considering occurred, I don't think a premium refund is appropriate as Mr L was still insured for breakdown assistance during this year and so, he was on risk with IPA for this period which is what the premium he paid was for.

Instead, in line with our services approach, I think any compensation should be calculated by considering the impact caused to Mr L as a policyholder. And this is entirely separate to the premium he paid.

I note IPA have paid £150 compensation. And this is a payment our investigator thought was fair. And having considered this payment myself, I'm satisfied it is a fair one, that falls in line with our service's approach and what I would've directed, had it not already been paid.

I think it fairly compensates Mr L for the clear and obvious distress he would've been caused by the delays in IPA arranging roadside recovery. Having reviewed the notes, and considering IPA's previous acceptance, I think it's clear the delays and lack of communication had an impact on Mr L, which led to him making his own way home. And this isn't something I'd expect Mr L to have to do, considering he had a breakdown insurance policy in place.

But I do also think the £150 is reflective of the fact that the poor service IPA provided occurred over a relatively short period of time, as Mr L was able to make his own way home the same day mainly by driving the car that had broken down back to his desired location. So, while I don't in any way intend to take away from Mr L's lived experience and his clear frustration with the service provided by IPA considering this wasn't the first time he'd felt let down by them, I do think the £150 paid by IPA was a fair one to resolve the impact caused to him by the complaint issues I've been able to consider. Because of this, I don't think IPA need to do anything more on this occasion.

My final decision

For the reasons outlined above, I don't uphold Mr L's complaint about Inter Partner Assistance SA.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 17 June 2024.

Josh Haskey
Ombudsman