

## **complaint**

Mr N complains that NCI Vehicle Rescue Plc told him he wasn't covered under his breakdown policy because his car had broken down within a mile of his home as the crow flies.

## **Background**

Under the terms of Mr N's policy, NCI promised:

*'Following an incident occurring within the UK and more than a one mile radius from your registered home address we will.....arrange for help to be sent to the scene of the incident.'*

Mr N broke just over a mile by road from where he lived but, applying the *'straight line distance calculation'* that NCI uses, it was less than a mile. NCI told Mr N he wasn't covered and he had to pay a £75 recovery charge.

## **my provisional decision**

I issued a provisional decision in which I said:

'NCI doesn't define 'radius' or make it clear anywhere in the policy booklet that it would calculate the 'one mile' limit by applying a straight line between the scene of the breakdown and Mr N's home. I think, like Mr N, most people reading the policy terms would assume that the word *'radius'* was calculated by reference to the network of roads in the area. It's up to NCI to set the limits for the breakdown service it provides under the policy, so I don't consider it's unfair to limit the area it covers in this way but I do think it needs to explain clearly how it calculates distance.

The adjudicator said that, as Mr N couldn't have foreseen where he'd breakdown, it's unlikely the lack of clarity affected his decision to take out the policy with NCI. But I think NCI's failure to explain how it applied the term *'radius'* meant Mr N couldn't make an informed decision in comparing the cover offered by NCI and other similar policies.

In the absence of a clear explanation of the limits of NCI's breakdown service, I think Mr N had a reasonable expectation that, as long as he was more than a mile's drive of his home, he had breakdown cover. So I think it's fair and reasonable to ask NCI to reimburse Mr N the cost of the recovery along with simple interest of 8% a year. I also accept that the demand for Mr N to pay a recovery charge of £75 caused him upset and inconvenience, so I think NCI should pay him £100 to compensate him for this.'

NCI responded by saying how surprised it was that I had reached this conclusion given that 'radius' is a precise mathematical term which is taught early on in all schools. It has asked me to reconsider my assessment of Mr N's complaint.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I fully agree that the word 'radius' has a clear and generally understood meaning in the context of technical drawing and maths. But I think in ordinary conversation, it is often used more loosely to denote a way of calculating and comparing road distances from a particular place. It's unlikely that there will be many instances where the distinction between the two forms of usage affects cover under a breakdown policy. But where NCI wishes to restrict the

cover it provides to the technical application of the word, I think it's reasonable for it to make this clear in the policy documents.

So I remain of the view that NCI should reimburse Mr N the £75 it charged for recovering his car and £100 for trouble and upset.

**my final decision**

I uphold the complaint. I require NCI Vehicle Rescue Plc to refund Mr N £75 along with simple interest of 8% a year from the date of payment until date of settlement and to pay him £100 for trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 23 December 2016.

Melanie McDonald  
**ombudsman**