

The complaint

Mrs K complains on behalf of Mr S about how Advantage Insurance Company Limited (Advantage) handled a claim on his motor insurance policy.

What happened

For ease of reading, I'll refer to Mr S throughout.

Mr S had a motor insurance policy with Advantage covering his car.

In March 2022, Mr S's car was filled with the wrong type of fuel which caused some damage.

He contacted Advantage to ask if this was covered under his motor insurance policy. Admiral's claims handler said it was, so Mr S made a claim.

It took a short time for Mr S's car to be taken to one of Admiral's repairers and over a week passed before work started on the car.

Advantage then realised that the car had been mis-fuelled, which isn't covered under its policy. It referred to this exclusion in its policy wording:

"You're not covered for:

Loss or damage caused by an inappropriate type or grade of fuel being used."

During the process, a hire car had been supplied to Mr S for about a week. But, because the damage wasn't covered, Advantage asked for the hire car to be returned. His car was available for him about three weeks after he'd made the claim, but it still needed repairing.

Ms S wasn't happy with how Advantage had handled his claim, so he complained. He says he called Advantage about 30 times to chase up his claim and was passed around a lot because no-one was able to answer his questions.

Advantage said that some of its service hadn't been good enough and it had given Mr S the wrong information when he'd made the claim. It said it shouldn't have taken two weeks to realise that the claim wasn't covered under the policy. It awarded Mr S £125 compensation for its mistakes. It also said Mr S had benefitted from a hire car it provided despite the claim not being covered.

Mr S remained unhappy and he brought his complaint to this service. He asks for Advantage to pay for the cost of repairs to his car because it had already started to carry out the work, the costs of using public transport and compensation for his distress.

Our investigator looked into Mr S's complaint and upheld it. She said she thought Advantage should pay Mr S a total of £300 compensation because it had caused him a lot of inconvenience.

Mr S didn't agree with the view and thought that fair compensation should be around £2,000.

He thinks this because he says if Advantage had handled his claim correctly, he would have had the car repaired locally at less cost.

He asked that his complaint was reviewed by an ombudsman, so it 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 can see from Mr S's evidence that he has had the work carried out to replace the engine at a cost of over £8,000. Having read the file, it's my understanding that he did this because he wanted to ensure there'd be no further problem with the engine. This meant that he asked the garage to fit a new engine from the manufacturer.

I sympathise with Mr S's position. A mistake was made when fuelling the car which has had a huge impact on the car, and consequently his finances. But when I look at the policy wording I can see that Advantage don't provide cover for the results of mis-fuelling.

It's Mr S's contention that Advantage should continue to pay for the repairs because it had started to do the work on the car. But I'm afraid I don't agree. Sometimes work on a car will uncover the cause of damage. In this case, that seems to be what happened. When the garage carried out the diagnostic work, it confirmed the underlying cause which wasn't covered under the policy.

In this situation, I'd expect Advantage to cover the costs already encountered in uncovering the true cause, as it had authorised the claim in the first place. And that seems to be what has happened here.

So I can't say Advantage has acted unfairly in rejecting his claim and I'm not going to ask it to pay anything more for the damage that was caused.

I've also thought about the experience Mr S had when he made his claim. Having asked Advantage whether mis-fuelling was covered, Advantage's claims handler confirmed that it was. This mistake then meant Mr S continued to make the claim.

Due to the repairing garages being busy, there was a delay of around a week before the car was examined. I can see that Mr S contacted Advantage repeatedly during this time in order to find out if the claim was progressing and I can see Mr S mentions how inconvenient it was.

When the car was allocated to Advantage's repairing garage, Mr S was supplied with a hire car.

Advantage then realised that the claim wasn't covered under its policy wording and it asked the repairing garage to return his car, and the hire care company asked for the hire car back. I can see that Advantage said Mr S effectively benefitted from the hire car for a week even though he wasn't entitled to one. But I don't agree with its point of view. Advantage supplied the hire car due to its error in handling the claim initially, so I will take this into account when considering his inconvenience.

Mr S has told this service of the high number of calls he had to make to find out where his car was and how the claim was progressing. He also mentions long wait times. I can see from Advantage's evidence that many calls were ended early which may have been a factor

here. He also mentions public transport costs, but I've not seen evidence of this in the file.

Taking into account Advantage's error in initially authorising the claim, and the inconvenience of him not having his car for three weeks, I don't think Advantage's offer of £125 compensation is enough. I've looked at what this service would recommend in similar situations, and I think that a total of £300 is a more appropriate level of compensation for his distress and inconvenience.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint in part. I direct Advantage Insurance Company Limited to pay Mr S a total of £300 for his distress and inconvenience from its poor claims service. If £125 has already been paid, then it can be deducted.

Advantage Insurance Company Limited must pay the amount within 28 days of the date on which we tell it Mr S accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 December 2022.

Richard Sowden
Ombudsman