

The complaint

Ms M complains that Admiral Insurance (Gibraltar) Limited unfairly declined a claim she made under her motor insurance policy.

What happened

Ms M poured AdBlue into the diesel tank of her car by mistake. She contacted Admiral who said it was considered to be a misfuelling incident, which wouldn't be covered under the terms and conditions of her insurance policy.

Ms M emailed Admiral to ask that it consider her claim and chased up a response by telephone. Admiral maintained its position to decline her claim, so Ms M made a complaint.

Admiral referred to an exclusion in its policy terms that said it wouldn't pay for any loss or damage caused by using the incorrect type of fuel. It paid her £60 for customer service issues Ms M had experienced.

Ms M remained unhappy, so she asked our service to consider her complaint. Our investigator looked into the matter but didn't think her complaint should be upheld. The investigator thought it was fair for Admiral to rely on the exclusion to decline Ms M's claim.

Ms M disagreed with our investigator's outcome. She said AdBlue is not a fuel, which means the incident shouldn't be excluded, according to the policy wording.

I issued a provisional decision on 3 February 2023 where I explained why I intended to uphold Ms M's complaint. In that decision I said:

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

Based on what I've seen so far, I intend to uphold Ms M's complaint. I'll explain why.

Section 2 of Ms M's policy covers damage to her vehicle, including damage due to "an accident". Accidental damage isn't defined in the policy, but I think it can be taken to mean sudden and unexpected damage. And I think it's reasonable for this to be taken to include damage caused to a car by a foreign substance entering its fuel system.

Admiral relied on the following exclusion to decline Ms M's claim:

"any loss or damage caused by using the incorrect type of fuel or failing to keep the correct amount of lubricant in your vehicle."

However, Ms M didn't put the incorrect type of fuel into her car. She put in AdBlue, which is an exhaust fluid.

Admiral says it still considers the incident to be excluded from being insurable because a liquid which was not the correct fuel had been placed into the fuel tank through human error. But the wording doesn't say "a liquid which is not the correct fuel", it says "the incorrect type of fuel". So, I can't see that this exclusion applies, and I think it was unfair of Admiral to have declined Ms M's claim on that basis.

Ms M has provided an invoice to show what she needed to pay to fix the damage to her car. To put things right, I think Admiral should reimburse her for this (less any applicable excess), with interest added to compensate her for the time she's had to wait for her claim to be settled."

I set out what I intended to direct Admiral to do to put things right. And I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses

Ms M said she had little further to add to my reasoning, other than stressing that she was not at a petrol station trying to fuel her car. She was at home on her drive trying to add the AdBlue to the AdBlue tank. She made some further comments in agreement with what I'd said in my provisional decision.

Admiral didn't respond with any further comments or information.

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.

As neither party has disagreed with the conclusions I reached in my provisional decision, I see no reason to change them.

Putting things right

Admiral should:

- Reimburse Ms M the amount she paid to rectify the issue with her car (less any applicable excess).
- Add interest to the above at 8% simple interest per year* calculated from the date she paid for the repairs until the date this amount is paid.

*HM Revenue & Customs requires Admiral to deduct tax from this interest. Admiral should give Ms M a certificate showing how much tax it's deducted, if she asks for one.

My final decision

For the reasons I've explained, I uphold Ms M's complaint and direct Admiral Insurance (Gibraltar) Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 3 April 2023.

Anne Muscroft

Ombudsman