

The complaint

Mr F complains that Aviva Insurance Limited declined his claim on his motor insurance policy. He wants it to settle his claim.

What happened

Mr F's car broke down whilst he was driving abroad, and he had it repaired. He was told the breakdown was caused by fuel contamination and he later found that this was covered by his policy. So he made a claim to Aviva. But Aviva declined his claim as it thought it couldn't establish that fuel contamination had occurred. It thought the break down may be due to mechanical failure and that Mr F had prejudiced its position by having the repairs made before making a claim.

Our Investigator recommended that the complaint should be upheld. She thought Mr F had provided evidence from two experts to show that the damage was due to fuel contamination. She thought the repairs were related to repairing this. And so she thought he'd shown that an insured event had occurred. She thought it was understandable that Mr F didn't realise that he could have made a claim earlier. And so she thought Aviva should reimburse him for the cost of the repairs, with interest.

Aviva replied that Mr F hadn't contacted the filling station he'd used to ask about the contamination. It thought that if there had been fuel contamination, then this would have been evident sooner than Mr F reported. And it thought Mr F may then have driven on and caused further damage to his car. It said an online search hadn't shown contamination problems at the date of Mr F's break down. It said neither of Mr F's garages had tested the fuel. It said Mr F should have contacted it before arranging repairs. It thought Mr F hadn't shown that the break down was due to an insured event.

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.

Mr F has provided invoices showing that the repairs to his car cost him £7,817.53. I can understand that he feels frustrated that Aviva have declined to reimburse him for this amount.

Aviva said Mr F should have called it as soon as possible when his car had an incident. And I can see that this requirement is set out clearly in the policy booklet. And I think it's reasonable for Aviva to require this so that it can advise customers how to proceed.

In this case, warning lights came on and Mr F said his car lost power whilst he was driving abroad. He took his car to a dealer's garage abroad and it said there was fuel contamination and it made temporary repairs. But it said further investigation was required. Mr F said the garage told him his car was safe to drive.

But Mr F didn't immediately contact Aviva. Mr F said he had his car repaired because he didn't know that fuel contamination was covered by his policy. He said he only discovered this when a friend suggested that it may be covered. The policy doesn't mention fuel contamination, but I wouldn't expect it to state every eventuality that is covered. And so I can

understand why Mr F didn't immediately contact Aviva when the first garage he took his car to said there was fuel contamination.

Mr F then had his car repaired. No fuel samples were taken as the previous garage had replaced the fuel. Mr F couldn't recall the garage where he'd bought his fuel. So he couldn't enquire if there had been other complaints. And Aviva hasn't found media reports of other instances of other drivers in his area reporting contamination. So I can understand why Aviva said Mr F hadn't shown that an insured event had occurred. It said the breakdown could have been due to wear and tear.

But Mr F did provide the two invoices from the dealer's garages which made his repairs. The first said it carried out a diagnostic check and found that the "Fuel was contaminated". It drained the fuel, changed the filter, and provided new diesel. But the car was still down on power and needed further investigation.

Mr F was then able to drive for about 600 further miles before the second garage looked at the car a month later. This invoice said there had been misfuelling which had caused damage to the engine and extensive repairs to the fuel system were made. From its notes, Aviva asked Mr F if he had misfuelled his car, but he denied this. But Aviva didn't use this as a reason to decline the claim, so I can't see that it's relevant to Mr F's complaint.

Aviva said it needed fuel samples to establish that fuel contamination rather than wear and tear or mechanical failure had caused the damage to the car. I can see that wear and tear and mechanical failure are excluded from cover by the policy.

Whilst I accept Aviva's point that a test of the fuel would establish for certain that contamination had led to the damage to the car, I think it hasn't considered the garages' reports fully. These are from dealer's garages with named professionals. They describe the extensive repairs to the fuel system that were required following fuel contamination. I can't see that Aviva has provided an alternative explanation for how this damage would have occurred. And I think it shouldn't dismiss the opinions of the experts who examined the car.

Aviva's engineer thought Mr F wouldn't have been able to drive 200 miles after he refuelled without noticing any problems if he had put in contaminated fuel. But Mr F explained that he managed to get to a garage when the car had problems, and this garage diagnosed contaminated fuel. So I can't say that this is a reason for Aviva to decline the claim.

Aviva said that there hadn't been online reports of a contamination problem in Mr F's area. But whilst I can see from its file that other major contamination issues had been widely reported, this doesn't mean that Mr F's car didn't receive contaminated fuel.

Mr F couldn't recall some months later which of two local filling stations he had bought his fuel from. And he had no evidence for this. But I don't consider this a sufficient reason to decline his claim as he may not recall such a detail due to the passage of time.

So I think Mr F has provided sufficient evidence to show that his car's break down was due to fuel contamination. Aviva accepts that this is covered by his policy and so I'm satisfied that an insured event occurred. And I'm not satisfied that Aviva has justified its decision not to pay for the repairs to Mr F's car. It has had the invoices for some time and so I think it has had sufficient opportunity to review them.

And so I think Aviva should reimburse Mr F for his repairs costs. And, as Mr F has been without his money for some time, I think it should add interest to this amount.

Putting things right

I require Aviva Insurance Limited to reimburse Mr F £7,817.53 for his repair costs, adding interest to this amount at the rate of 8% simple per annum from the date of the claim to the date of settlement.

If Aviva considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr F how much it's taken off. It should also give Mr F a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require Aviva Insurance Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 22 July 2024.

Phillip Berechree
Ombudsman