

The complaint

Mr S complains that Admiral Insurance (Gibraltar) Limited (Admiral) has declined to reimburse a cost he incurred following a car insurance claim.

What happened

Mr S' car was damaged in an accident, so a claim was made to Admiral, his car insurer.

Ultimately it took around seven months for Mr S' car to be repaired and he complained to Admiral, and later to the Financial Ombudsman Service, about this.

One of our investigators looked into things and upheld that complaint in part. She said that some of the delays were due to replacement parts being unavailable and that wasn't Admiral's fault. But she also said there were several months of avoidable delays after Mr S had asked Admiral for an alternative settlement, and he then went on to find a garage himself that could carry out repairs. The investigator recommended Admiral increase the compensation offered from £50 to £200.

The investigator also outlined that Admiral had said it would review the costs Mr S incurred in having the petrol tank flushed if he provided evidence of the charges, and she thought that was fair.

Both parties agreed and the case was then closed.

Mr S received the additional compensation from Admiral, but he complained that they still hadn't reimbursed the costs he incurred for having the fuel tank flushed. He maintained this was needed because his car had stood still for an extended time due to the delays in repairs being carried out.

Admiral issued a final response and said there was no evidence to show the fuel tank flush was required, but if Mr S was able to provide further evidence, they'd consider matters further. As Mr S remained unhappy, he asked the Financial Ombudsman Service to consider the complaint.

The investigator looked into things and initially agreed with Admiral that there was insufficient evidence to support the fuel tank flush being required, so she didn't uphold the complaint. Mr S then provided an email from the garage confirming why they had advised the work needed to be carried out. The investigator sent this to Admiral for their comments, but their decision remained the same.

Following this, the investigator upheld the complaint. She said the manufacturer repairing garage confirmed that the work was needed due to the vehicle being stood for a number of months, and she said this was partly due to delays caused by Admiral (which she'd considered in the previous complaint and awarded compensation for). Therefore, she recommended Admiral should reimburse the cost Mr S incurred in having the fuel tank flushed, with add 8% simple interest added.

Admiral didn't agree and asked for a final decision from an ombudsman.

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 upholding the complaint for the same reasons as our investigator.

Mr S' car was eventually repaired at a manufacturer garage, around seven months after the claim was made. During this time, Admiral accepts there were avoidable delays, and this is why additional compensation was recommended (and accepted by both parties) in the previous complaint.

Mr S has provided confirmation of the advice he received from the repairing garage, which has also been presented to Admiral to consider. This said:

"I can confirm our advice to drain and refill the fuel tank with stale fuel. Failing to do so can lead to misfires and poor combustion from destabilised fuel, often a problem after six months stagnation."

Therefore, the manufacturer garage confirmed why they advised Mr S to carry this out, and what can happen if it isn't.

Admiral referred this to their engineers, and they advised it was only an opinion that it was needed, and they said there is no evidence to support that it was actually required beyond an opinion. They said if Mr S provided a manufacturer bulletin, method or guidelines, they would look at it further. But based on the information presented, Admiral maintained it wasn't required.

However, Admiral seeks to rely on their engineer's opinion that it wasn't required, but on the other hand, doesn't think it reasonable to rely on an opinion from the manufacturer repairing garage that it was. In my view, the manufacturer repairing garage is in a position to give an informed opinion on what is required to a vehicle they manufacture, are familiar with and are repairing, and the above explained why they considered it was necessary, and the issues that could be caused if it wasn't. So, I don't think Mr S acted unreasonably in following their advice and guidance and I don't agree with Admiral that the opinion of the manufacturer should be dismissed.

Mr S' vehicle was stationary for an extended time period, which was partly due to avoidable delays caused by Admiral (as concluded, agreed and compensated for in the previous case) and the reason the manufacturer recommended the work was due to this. So, I agree with our investigator that it would be fair and reasonable in all the circumstances for Admiral to reimburse the cost Mr S incurred in having the fuel tank flushed.

Admiral also needs to add 8% simple interest from the date Mr S paid the invoice for the fuel tank flush to the date of reimbursement, to recognise that Mr S has been deprived of those funds during this time.

My final decision

It's my final decision that I uphold this complaint and direct Admiral Insurance (Gibraltar) Limited to:

- Reimburse the cost Mr S incurred for the fuel tank flush

- Add 8% simple interest* from the date Mr S paid the invoice to the date of settlement

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 July 2024.

Callum Milne
Ombudsman