

The complaint

Mr P complains Admiral Insurance (Gibraltar) Limited (Admiral) have declined the claim he made under his motor insurance policy.

What happened

In August 2024 Mr P's car failed to start and so arranged for it to be looked at by a repairer. The repairer said it detected incorrect fuel in the vehicle. Mr P said he hadn't put incorrect fuel in the vehicle and so believed the fuel must have been contaminated. The repairer carried out some repairs but this didn't resolve the issue and so Mr P contacted Admiral to make a claim under his motor insurance policy. Admiral arranged for Mr P's vehicle to be reviewed by a repairer, and spoke with the fuel stations Mr P had visited previously to see whether there had been any other reports of contaminated fuel. Following investigation, Admiral declined Mr P's claim. It said its engineer had reviewed the available evidence and said it didn't support a claim for fuel contamination and the issue sounded like a service issue.

Mr P didn't think this was reasonable and so raised a complaint. He said he was told even if the fuel station didn't accept liability, he would be able to make a claim under his policy. On 29 August 2024 Admiral issued Mr P with a final response to his complaint. It said its engineer had said there was no evidence of fuel contamination from either of the fuel stations Mr P had used, and the fault seemed to be more related to a service issue. It said unless Mr P was able to provide evidence multiple other users suffered fuel contamination from the same fuel stations, it would be unable to accept his claim. Mr P referred his complaint to this Service.

Our investigator looked into things. He said he thought Admiral had acted fairly when it declined Mr P's claim. He said he thought if there had been a misfuelling incident, it would be reasonable to have expected the initial repairs to have resolved the issue with Mr P's vehicle and evidence of other vehicles who used the fuelling stations to have experienced similar issues. He said he thought Admiral could have done a better job at managing Mr P's expectations but he thought this was a genuine error based on the information it had available at that time.

Mr P didn't agree with our investigator. He said the evidence supported that internal damage had been caused to the engine due to fuel contamination and that the initial repairs wouldn't have resolved this issue. He said the importance of other vehicles suffering similar issues from the fuel station had been retrospectively applied by Admiral, and wasn't deemed important when he initially reported his claim.

As Mr P didn't agree with our investigator, the complaint has been passed to me to decide.

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 want to acknowledge I've summarised Mr P's complaint in less detail than he's presented it. I've not commented on every point he has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr P and Admiral I've read and considered everything that's been provided.

The relevant rules explain Admiral shouldn't unreasonably reject a claim. Admiral have said it doesn't believe the evidence provided supports that the damage caused to Mr P's vehicle has been caused by contaminated fuel.

I'm not an engineer, and so it isn't my role to say how damage to a vehicle has been caused. My role is to consider whether Admiral have considered all of the evidence available to it and have made a reasonable decision when it declined to pay for the repairs to Mr P's vehicle.

Mr P originally took his vehicle to a repairer who believed the vehicle had been contaminated by petrol. It drained and bled the fuel system, and filled the vehicle with diesel but this didn't resolve the issue. It doesn't appear any of the fuel which was drained from the vehicle was kept so it could be tested and so there's no definitive evidence the fuel in Mr P's vehicle was contaminated.

I can see Admiral spoke to the two fuel stations Mr P had used prior to the damage to his vehicle. Neither of these fuel stations had any other reports of vehicles having issues due to contaminated fuel. Admiral's engineer reviewed the information available and said the evidence didn't support that the damage to Mr P's vehicle had been caused by contaminated fuel, and that it seemed more likely the issues Mr P was experiencing were service issues.

Based on the evidence provided I don't think it was unreasonable for Admiral to decline Mr P's claim. The onus is on Mr P to demonstrate an insured event has occurred, in this instance, that contaminated fuel has caused the damage to his vehicle. The invoice Mr P has provided from the repairer suggests it believed there had been petrol in the vehicle because the fuel cap smelt strongly of petrol. I'm not persuaded that this alone demonstrates the damage to Mr P's vehicle was caused by petrol or contaminated fuel being put into the vehicle. As mentioned, the fuel wasn't tested to see whether it was contaminated. Admiral carried out reasonable enquiries to see whether the fuel stations Mr P had used had reports of contaminated fuel but neither of them had. Overall, I find the comments by Admiral's engineer, who is an expert in the field, persuasive that the issue on Mr P's vehicle appears to be a service related issue and not as a result of contaminated fuel.

As I don't think Mr P has been able to demonstrate the damage to his vehicle has been caused by contaminated fuel, I don't think it's unreasonable Admiral declined his claim. If Mr P is able to obtain additional evidence demonstrating what has caused the damage to his vehicle, he should look to provide this to Admiral to review in the first instance.

Mr P was unhappy he was initially told he would be able to claim under his policy even if the fuel station didn't accept liability for contaminated fuel. I think Admiral could have more appropriately set Mr P's expectations about his claim, and confirmed it would need to review the evidence before it was able to agree to repair his vehicle. I can acknowledge the disappointment Mr P would have suffered when he was later told his claim had been declined. However given I think Mr P would have been in this same position, even had his expectations been more appropriately set by Admiral, I don't think the distress this caused Mr P means Admiral are required to pay Mr P compensation.

I know this will be disappointing to Mr P, and I naturally empathise with him given the damage to his vehicle. However for the reasons I've explained I don't require Admiral to take any action in relation to his claim.

My final decision

For the reasons I've outlined above, I don't uphold Mr P's complaint about Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 30 April 2025.

Andrew Clarke
Ombudsman