

## **The complaint**

Mr T has complained that Admiral Insurance (Gibraltar) Limited unfairly declined a claim he made for malicious damage under his car insurance policy.

## **What happened**

Mr T's car was failing to start and so he took it to a garage that specialises in the make of his vehicle. He didn't make a claim to his insurer as he believed the damage was mechanical.

The garage said the cause of damage was due to a substance it found in the fuel filter and tank. The garage completed the repairs and in light of its diagnosis, Mr T made a claim for malicious damage to Admiral.

Admiral rejected Mr T's claim because it said it didn't have the opportunity to inspect the vehicle before repairs were done.

One of our Investigators didn't think this was a fair reason to reject the claim. She could understand why Mr T took the initial steps that he did as the cause of damage identified by the garage wasn't clear until repairs were being done.

The Investigator found Mr T's account alongside the findings of the garage were plausible and reasonable. So she recommended Admiral meet Mr T's claim.

Admiral didn't agree. In summary it says there is no evidence the damage was caused maliciously. If Admiral had been given the opportunity to inspect the vehicle, it would have taken samples of the fuel for further investigation. Its engineer finds the cause of damage to be unviable.

So Admiral wants an ombudsman 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.

When a claim is made, it is reasonable for an insurer to carry out its own investigation into the cause of damage to establish if an insurable event has occurred. Admiral, like other insurers, doesn't cover damage caused by mechanical failure or wear and tear. But it does provide cover for damage caused maliciously.

However, in this case, Mr T believed the cause of damage was mechanical failure, and so I can understand why he made the decision to bring his vehicle to a garage rather than make a claim to Admiral. It wasn't until the repairs were carried out by the garage that the cause was identified and Mr T contacted Admiral. I don't think the steps Mr T took in this case were unreasonable. So while I understand this means Admiral wasn't able to carry out any additional tests and investigations, I don't think this is enough to make Admiral's decision to reject the claim a fair one.

Mr T explained that after attending an event, on the return journey his vehicle was struggling on acceleration and eventually stopped. He arranged for his vehicle to be recovered to the garage that carried out the repairs and provided a report.

Mr T explained that the fuel pipe between the fuel cap holder and fuel tank is readily accessible under the wheel arch of his vehicle. He said he uses his vehicle regularly on soft ground and the area under the wheel arch is caked in mud. He said the garage noted that despite this, the clip that secures the fuel pipe to the fuel cap holder was clean, indicating it had been touched. Mr T says he discovered other vehicles had been damaged at the same event.

The garage reported that on examining the fuel tank, filter, regulator filter and fuel lines, this revealed contamination of fuel had led to blockages in the system preventing fuel being pulled by the pumps from tank to engine. They discovered in the fuel lines filter the *"large presence of white slush / powder, thick and white like snow, excessive amounts present in filter and bottom lining of fuel tank, present all the way through fuel system creating blockage. The excess amount of foreign contaminant would suggest this entered through the filling point as the only logical origin into the system."*

The report explores the possibility that the contaminant came from a commercial fuel pump. The report says:

*"Unlikely to have come from a commercial fuel pump/forecourt due to the volume. The fuel filler neck on a (make of vehicle inserted here) is easily accessible from the wheel arch, typically the hose clip holding the pipe in place at the top is hard to loosen to remove the filler neck pipe, typically due to a build-up of dirt or corrosion inherent with the (make of vehicle inserted here) - the technician has noted that this particular clip at the top of the fuel neck to filling location on body was clean and easy to undo, suggesting it had recently been removed/adjusted."*

In response, Admiral's engineer says that he finds the conclusions reached by the garage to be unviable and believes the scenario put forward is to cover mechanical failure. As there are no images to support the findings of the garage, Admiral says it made the correct decision to reject the claim.

I agree there are no images to support what the garage reported. But as I've said, I don't think it is fair for Mr T to have his claim rejected because Mr T made the decision to have his car repaired by a garage. He didn't know the cause of damage when he made this decision. And so while Admiral doesn't have all of the information it would usually look for in order to assess a claim, I find on balance the information provided by Mr T and the garage to be comprehensive, reasonable and enough to validate his claim. So I think Admiral should meet Mr T's claim for malicious damage under the remaining terms and conditions of the policy.

### **My final decision**

My final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to meet Mr T's claim under the remaining terms and conditions of the policy by reimbursing him for the costs of repairs for malicious damage minus the excess due.

Admiral should pay Mr T interest on the reimbursement as he has lost out on these funds from the date he made his claim to the date Admiral reimburses him at a rate of 8% simple interest a year.

Mr T will need to provide reasonable proof of payment to Admiral if he hasn't already done so.

If Admiral Insurance (Gibraltar) Limited considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr T how much it's taken off. It should also give Mr T 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 T to accept or reject my decision before 2 July 2025.

Geraldine Newbold  
**Ombudsman**