

## **The complaint**

Mr M complains that British Gas Insurance Limited turned down a claim he made on his home emergency policy and cancelled the policy.

## **What happened**

In mid-February 2019, Mr M took out a home emergency policy with British Gas. 11 days later, he got in touch with British Gas to make a claim for a water leak.

One of British Gas' engineers visited Mr M's property. He told Mr M the claim wouldn't be covered and that the repairs would need to be paid for. Mr M says the engineer told him he wasn't doing the repairs because it would cost more than £100 and that British Gas has different internal terms and conditions to its standard policy. British Gas said it thought the leak had happened before Mr M took the policy out. It said it doesn't cover leaks that existed before a policy was taken out.

Mr M called British Gas. The call handler wrongly scheduled in another engineer's visit. But this visit was cancelled and Mr M was told his claim wouldn't be covered and his policy would be cancelled. Mr M wasn't happy with British Gas' decision and he complained.

British Gas didn't change its decision. It said new policies are subject to a first service. One of its policy terms says that if the engineer identifies that there's a pre-existing fault during this check, British Gas has the option to cancel the policy. But it did acknowledge that a second engineer's visit shouldn't have been booked for Mr M. So it offered him £20 as a gesture of goodwill.

Mr M was still unhappy and asked us to look into his complaint. He said he'd taken the policy out in good faith. He told us the leak had started after he'd taken out the policy. He also said he'd had discussions with the engineers and a service manager, who'd told him different terms and conditions applied internally and that there's a conflict between when to carry out repairs and when to refuse them.

Our investigator didn't think Mr M's complaint should be upheld. He thought, on balance, it was most likely the leak at Mr M's home had existed before the policy began. So he thought it was fair for British Gas to turn down the claim and end the policy. He explained British Gas had a 'repair and protect' policy under which a policyholder could pay a fee of £100 for a pre-existing fault and then pay monthly for cover afterwards. He thought it was likely to be this product that British Gas' engineer and service manager had been referring to when they spoke with Mr M. And he thought £20 was fair compensation for British Gas' error in booking an appointment with a second engineer.

Mr M disagreed. He felt the investigator's findings had been biased. He wanted us to listen to the calls between him and the engineers. He felt British Gas was acting dishonestly by selling policies policyholders can't claim on. He said the leak started after the policy had begun. And that the engineer who came out told him he couldn't be bothered to fix the fault

because *'it would take hours.'* He asked for his complaint to be reviewed. So it's 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. Having done so, I think British Gas has treated Mr M fairly. I'll explain why.

Mr M reported a leak only a few days after taking out the policy. In line with the policy terms, an engineer came out to investigate the cause of the leak. In the engineer's opinion, the leak had begun before the policy started. He thought the plasterboard was completely sodden through and he couldn't see that such a level of damage would've happened in one day.

It seems the engineer found a pre-existing fault in the pipework – part of the heating system. Insurance policies are designed to cover one-off, unexpected events. They're not designed to protect against something that happened before the policy started.

Based on the engineer's findings, British Gas turned down the claim and cancelled the policy. It relied on a policy term set out in the 'First Service' section of the policy. This says:

*At the first service our engineer will check that your boiler is on our approved list and your boiler or central heating and ventilation don't have any pre-existing faults.*

*If we find it's not on the approved list or it has a pre-existing fault, we'll either:*

- *Tell you what needs to be done to fix it – and how much it'll cost*
- *Offer you a different product or level of cover*
- *Or, cancel your agreement or product*

I think Mr M's claim falls within the scope of this policy term. I appreciate he feels that the engineer's visit was a call-out, not a first service. But the policy says a first service will happen within the first 42 days of taking out the policy. So I think the engineer's visit took the place of a first service visit.

I've thought carefully what Mr M's said about when the leak began. It's possible he didn't notice the leak until after the policy started. But the only expert evidence I have to tell me when the leak began is the engineer's findings. He had the chance to inspect the damaged patch of plasterboard and made his findings based on that. His view was that the leak started before the policy began. I find his evidence persuasive. And Mr M hasn't provided any independent third-party evidence to counter the engineer's findings. So I think it's most likely the leak did start before Mr M took out the policy.

Overall, I think it was fair for British Gas to rely on the engineer's conclusions to turn down Mr M's claim and cancel his policy.

I appreciate Mr M feels strongly that he was given conflicting and dishonest information by the engineer and their manager. I've thought carefully about this. I think it's most likely there was some confusion around what was said. British Gas does offer a product which covers pre-existing faults for an upfront fee of £100 and then a monthly fee after that. Mr M doesn't have that agreement with British Gas. It seems this was discussed with him as an option and would've enabled him to get the leak fixed for a £100 fee. But it appears Mr M didn't want to go ahead with this option.

Given this product offered different levels of cover to Mr M's existing agreement, I think it's most likely this was what the engineer and his manager were referring to when they spoke with Mr M.

But even if Mr M was told there was a different internal policy about when repairs should happen and when they should be refused, this still doesn't make a difference to the outcome of his claim overall. That's because I think British Gas was entitled to turn it down and cancel his policy. So I don't think he's lost out as a result of any conflicting information he might've been given. I'd also add that British Gas Insurance Limited didn't sell Mr M his policy. So if he's unhappy with how it was sold, he'll need to get in touch with the seller.

Like the investigator, I think Mr M was put to some time and trouble when a second appointment was made in error and then cancelled. I appreciate this must've been frustrating for him. But I think £20 is fair compensation to recognise this error and put things right. So I'm not telling British Gas to pay Mr M anything more.

### **My final decision**

For the reasons I've given above, my final decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 June 2020.

Lisa Barham  
**Ombudsman**