

The complaint

Mrs D is unhappy with how British Gas Insurance Limited (“British Gas”) handled a claim made under her Homecare policy following three water leaks from her bathroom.

What happened

Mrs D contacted British Gas when she noticed water stains on her kitchen ceiling. Mrs D paid the £50 call out fee and an engineer from D – an agent of British Gas – attended. The engineer investigated and identified that the trap had come loose from the bath. He replaced and sealed the trap. Mrs D then paid a decorator to repaint her kitchen ceiling.

Six weeks later, new water stains appeared on Mrs D’s kitchen ceiling. Mrs D notified British Gas. An engineer from D came to Mrs D’s house. He found that the first engineer had not correctly fixed the first leak from the bath and that the pipe work under the bath should have been replaced. The second engineer replaced the pipework to fix the leak.

Mrs D complained to British Gas asking it to cover the cost of the redecoration of her kitchen ceiling because it had been damaged by the first leak not being fixed properly. British Gas referred Mrs D to D, who offered to reinstate Mrs D’s ceiling at no cost to Mrs D. Mrs D agreed and told D that she was keen for the reinstatement to happen quickly as she wanted to put her home on the market. D arranged for an engineer to visit Mrs D to spray a sealant on her kitchen ceiling and then for another engineer to return the following day to paint the ceiling.

An engineer arrived to apply the sealant as arranged. But Mrs D says he became unwell when he inhaled some of the sealant. Mrs D says the engineer ended up lying on her kitchen floor gasping and wheezing. When the engineer recovered, Mrs D says he tipped emulsion paint over his van, Mrs D’s car and her driveway. Mrs D says she was left having to get her car professionally cleaned and a landscaper to power wash her driveway.

The next engineer arrived the following day, as arranged, to paint the ceiling. But, because the ceiling hadn’t been sealed properly the day before, the paint couldn’t be successfully applied.

Mrs D complained again to British Gas. She told them her property was now more damaged than it had been to begin with. She’d taken the day off work and the water damage still hadn’t been fixed. She also told them she would have to postpone putting her property on the market because the water damage hadn’t been fixed. A lead engineer came to Mrs D’s home a few days later to restore the ceiling. A few days after this visit, Mrs D told D that she was happy with the restoration of her ceiling.

A week later, there was a third leak from the bathroom. A few days later, British Gas contacted Mrs D to follow-up with her about the repairs from the second leak and to check that she was happy her ceiling had been fixed. She responded that it hadn’t. She told British

Gas the leak had reoccurred, the ceiling had been damaged again and she was about to lose out on a house she was wishing to purchase because of the effect the water damage would have on her ability to market her own property. Mrs D told British Gas she couldn't bear the thought of having to deal with D again. Mrs D said British Gas told her it would need to send D out again but would ensure her bathroom was watertight and it would fix her ceiling.

A week later an engineer inspected the damage and investigated the third leak. The engineer identified the leak was not coming from the bath, but from the wash basin in the bathroom.

Mrs D contacted British Gas about repairs following the third leak. British Gas told Mrs D it wasn't liable for the damage caused by the third leak because it was from the wash basin and not the bath. Mrs D says British Gas told her that when the first engineer asked what was above the staining, Mrs D said the bath - so the engineer only inspected the bath. Mrs D says she also pointed out to the engineer that the areas of staining were also below the wash basin.

A few days later, Mrs D received a complaint acknowledgement letter. Mrs D says she also received an invoice for the £50 call out fee for the wash basin leak, which she says British Gas agreed to waive after she complained. As well as complaining about the invoice, Mrs D says she also told British Gas it was down to the engineer to identify where the leak was coming from - not her - as she isn't a qualified plumber. Mrs D says she told British Gas how distressed the ongoing issues were making her.

Mrs D brought her complaint to us. She said it had been quite some time since she'd complained to British Gas about her claim for the restoration of her ceiling following the third leak and she'd not been contacted about an outcome. Mrs D said she'd eventually had the ceiling repaired herself. Mrs D told us her physical and mental health had suffered – especially her asthma – and she'd also been unable to put her property on the market as she'd planned because of British Gas. Mrs D told us she felt she'd been mis-sold her policy as British Gas told her it was her responsibility to identify the source of a leak so that it could fix it, when this should be the responsibility of British Gas.

Mrs D told us she wanted her premiums returned, reimbursement for the decorating work and compensation for the stress and the effect on her asthma. She also wanted to be compensated for the annual leave she and her husband had lost, but that she was prepared to forgo compensation for the spillage of paint on her driveway and her car.

After the complaint was brought to us, British Gas provided Mrs D with a response to her complaint. It apologised that it hadn't sent her a final response sooner. It said it didn't agree it was responsible for the restoration of the water damage from the basin leak. It said it wouldn't refund Mrs D's premiums as it didn't agree her policy had been mis-sold because it had repaired the leaks. It offered Mrs D £200 compensation for the inconvenience to her and her husband, for them having to take time off work, for the delays in resolution and for the overall impact on Mrs D.

Mrs D told British Gas that £200 wasn't enough to compensate her for the damage to her property, her financial detriment and resultant mental health issues. It also wasn't enough for the lost time from work, the delay in handling her complaint, or British Gas' ignorance of the vulnerable position it had put her in.

Our investigator did not uphold Mrs D's complaint. He felt that British Gas didn't need to do anything further and that £200 compensation was reasonable. He said that the consequential damage from the second leak – which happened because British Gas hadn't

properly fixed the first leak - had been repaired satisfactorily by British Gas. He also felt it reasonable for an engineer not to check all the fittings in a bathroom if there was an obvious leak in one place.

Our investigator said that Mrs D's policy didn't cover damage caused by water leaks. And that the leak from the basin was a different leak, unrelated to the leaks from the bath. So he felt British Gas wasn't responsible for repairing the water damage from the basin leak. He also didn't think Mrs D's premiums should be returned because British Gas had fixed the leaks from the bath and the basin in line with the policy's terms.

Mrs D didn't agree with our investigator's view. She felt that because that the water damage on the kitchen ceiling was also underneath the toilet and basin, the first engineer should have checked more than just the bath.

The complaint was passed to me for an ombudsman's decision.

After I'd considered all the available evidence to decide what's fair and reasonable in the circumstances of this complaint, I reached a different outcome to our investigator. Because the outcome was different, I issued a provisional decision giving both parties a further chance to comment on my findings ahead of issuing my final decision.

My provisional decision

My provisional decision was that I was minded to uphold Mrs D's complaint in part by instructing British Gas to pay Mrs D a further £200 compensation in addition to the £200 it had already offered her.

I explained my provisional findings to both parties as follows:

"It is not in dispute that D, on behalf of British Gas, did not properly fix the first leak from Mrs D's bath, which led to a second leak. It is also not in dispute that the second leak damaged redecoration Mrs D had paid for. British Gas fixed Mrs D's bath following the second leak and restored her ceiling, which is what I'd have expected it to do here. But I think Mrs D should be awarded compensation for the trouble and upset she suffered because of the second leak as this was caused by British Gas not fixing the first leak properly.

British Gas fixed the damage to Mrs C's redecorated ceiling following the second leak. But fixing the damage did not go as smoothly for Mrs D as I think it should have. Mrs D's ceiling hadn't been prepared properly by the first engineer and wasn't ready for painting by a second engineer the next day. Mrs D had already taken a day off work, and then needed to accommodate another visit from a third engineer days later. None of which she'd have needed to do if British Gas had fixed the first leak properly the first time. Mrs D says she is prepared to forgo compensation for the cost of cleaning her driveway and car. But Mrs D should be compensated for the trouble and upset caused by British Gas' attempts to restore her ceiling following its failure to fix the first leak from her bath.

British Gas says that the wash basin leak is a different leak to those from the bath and so should be treated as a separate incident and as a different claim. Mrs D's policy documentation says in the "General exclusions" section of the "HomeCare Range Terms and Conditions" policy booklet under the "Any other loss or damage" sub-heading:

"We're not responsible for any loss of or damage to, or cleaning of property, furniture or fixtures as a result of your boiler, appliance or system breaking or failing unless we caused it. For example damage caused by water leaks"

So if the leak to the wash basin is a different and unrelated leak, British Gas would not be responsible for putting right the water damage caused by it. But Mrs D feels because the leak to her basin wasn't identified initially by British Gas, it should pay for the restoration of her ceiling following the basin leak.

Mrs D told us that the staining on the ceiling was underneath the bath and that the stains also extended across the ceiling towards the wash basin and the toilet. I have reviewed the photographs Mrs D provided of the water staining from the first leak and I can see that the stains do extend across her kitchen ceiling. But, given that escaped water travels, I don't think it's unreasonable for the first engineer to assume from the staining that there was only one leak. And after deciding that the leak was coming from the bath, I don't think it's unreasonable that he didn't then check that the rest of the bathroom fixtures weren't also leaking. So I don't think British Gas have done anything wrong by not checking for other leaks. Also, I don't think it's unreasonable for British Gas to view the basin leak as a different leak and a separate claim as it was coming from a different fixture to the bath. I am satisfied then that British Gas has acted in line with the terms of the policy by not restoring the damage to Mrs D's kitchen caused by the basin leak.

Mrs D told us that she felt her policy had been mis-sold because British Gas told her she was responsible for diagnosing the source of the leaks. But ultimately British Gas did diagnose and repair all three leaks, which is what it is supposed to do under the terms of Mrs D's policy. So I don't think Mrs D's policy was mis-sold. Because of this, and because Mrs D has received benefits from the policy by having her leaks fixed, I don't think it's fair for British Gas to return Mrs D's premiums.

Mrs D says the compensation isn't enough when taking into account the time she and her husband had to take off work. I'd expect that a consumer would need to take some time off work to deal with repairs under a home emergency policy. But Mrs D needed to take time off because of British Gas' errors stemming from the first leak from the bath. So I think Mrs D should be compensated for this as she'd not have needed to take the time off if the leak had been fixed properly the first time. But, I don't think British Gas should compensate Mrs D for Mr D needing to take time off work because of the leak from the basin. As discussed above, this is a second leak, unrelated to the leak from the bath, which British Gas were not the cause of.

It is not in dispute that, following Mrs D's complaint to British Gas about the repairs to the water damage from the basin leak, British Gas didn't respond as quickly as it could have. The delay in finding out whether British Gas would restore the water damage would have caused Mrs D trouble and upset, so I think it's reasonable that she's compensated for this.

The wash basin is a separate incident and so a different claim, so it's fair that – aside from the delay mentioned above - British Gas only compensates Mrs D for trouble and upset relating to events stemming from its failure to fix the first leak to Mrs D's bath. British Gas could have charged Mrs D a £50 call out fee for the basin leak under the policy's terms, but it waived this. But I don't think waiving the fee and £200 is enough compensation for the extent of Mrs D's trouble and upset. So I'm minded that British Gas should pay Mrs D a further £200 compensation for her trouble and upset. The total compensation paid should be £400.

British Gas and Mrs D have both accepted my provisional decision. Neither party has provided any additional information or comments. Mrs D asked whether - if British Gas had any objections to the provisional decision - she'd be able to see the final decision before it's published, but British Gas hasn't provided any objections.

What I've decided – and why

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint, as well as the responses of both parties to my provisional decision. Given that both parties have accepted my provisional decision, I won't be departing from my provisional findings. I have decided to uphold Mrs D's complaint in part. British Gas should pay Mrs D a further £200 compensation for her trouble and upset in addition to the £200 it has already offered her. The total compensation to Mrs D should be £400.

My final decision

I uphold Mrs D's complaint in part. I instruct British Gas Insurance Limited to pay Mrs D a further £200 compensation in addition to the £200 it has already offered her. If it hasn't done so already, British Gas Insurance Limited should pay Mrs D the £200 compensation it has already offered Mrs D at the same time it pays her the further £200.

British Gas Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mrs D accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 6 August 2020.

Ruth Peek
Ombudsman