

The complaint

Mr S complains that British Gas Insurance Limited is responsible for causing damage in connection with a home emergency insurance policy.

What happened

Where I refer to British Gas, I refer to the insurance company of that name and I include its plumbing and drainage company and others insofar as I hold that insurance company responsible for their actions.

Mr S had a British Gas Homecare policy that included cover for plumbing and drainage.

In 2018 and 2019, Mr S and his water supplier thought there was a leak on his metered water supply.

British Gas made several visits. On 26 October 2019 Mr S again called for help. But British Gas said his roof was leaking. Within a few days, a bedroom ceiling collapsed and there was water damage below.

On 30 October 2019, British Gas found a leak from the cold water storage tank – which it drained and arranged to replace.

Mr S complained to British Gas that its failure to trace and fix the leak had resulted in significant damage, upset and inconvenience. He said he'd had to claim on his home insurance policy which involved payment of an excess and increased premiums.

British Gas didn't send a final response. But it did inform Mr S of his right to bring his complaint to us, which he did in January 2020.

British Gas sent a final response dated 13 March 2020. It said it wasn't responsible for causing the leak. British Gas said it was sending a cheque for £600.00 compensation for delay.

Our investigator didn't recommend that the complaint should be upheld. She thought that there was a delay in fixing the leak from the cold-water storage tank (around four days) in which time the ceiling fell down. However, she didn't think a delay of this length was likely to have resulted in such a high level of damage. She thought this was typical of a leak which had been ongoing over a longer period.

Mr S disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- The damage could have been prevented by a more timely and diligent approach by British Gas.

- There were several conversations (recorded) and it is unfortunate that they have “lost” the recordings. He had to insist over several months that there was a leak despite their denials.
- The water supply company came several times and insisted that the leak was within the house and the British Gas engineers were wrong.
- It is their repeated failure to diagnose and rectify the problem that has led to significant damage to the property and contents (sofa, carpet, bed, decorations, laminate floors, walls and ceiling).
- He is now having to pay increased insurance costs.
- The main issue is not the money but that their engineers did not find a leak in a timely manner and were trying to put the blame on his roof.
- He is prepared to spend a significant amount of money and time on legal costs so that British Gas don't feel that they can simply walk on consumers and try and make up their version of the evidence.
- British Gas have said that they repaired the leak and it is clear that they did not.
- The leak and problems with the water only stopped after the damage which is when the tank was replaced.
- It is the damage to the tank that caused the leak and subsequent damage.
- British Gas failed to identify the leaking tank on numerous occasions.

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.

Escapes of water are usually covered by home buildings insurance – subject to a policy excess.

Since at least 2018, the British Gas Homecare policy terms have excluded the following:

“Any damage that's covered by other kinds of insurance

*Your **product** doesn't include **repairing** or **replacing** any damage caused by extreme weather, flooding, structural issues, fire or explosions – or any other kind of damage that's normally covered by household insurance – unless your **product** specifically includes it...*

Any other loss or damage

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.”

Mr S had British Gas “products” including plumbing and drainage cover. None of his products specifically included repairing damage caused by an escape of water.

As escapes of water are normally covered by home buildings insurance, the British Gas policy excluded damage caused by escape of water – unless British Gas caused it. And in my view, causing damage is not the same as delay in identifying and fixing the cause of damage.

There were several issues at Mr S's property. Call recordings might have helped but none are available to me.

Some of the issues were leaks outside or downstairs – and so didn't cause ceiling damage.

Another issue was that in April 2018 the ball valve on the cold-water storage tank was letting water by. That usually means water runs out of an overflow pipe rather than onto a ceiling. British Gas says it fixed that problem and there's no reason to think it caused ceiling damage.

Another leak was found on 26 August 2018 when water from the bathroom was leaking into the kitchen below. British Gas repaired the leaking mains pipe and replaced the toilet inlet valve.

Over a year later, on 29 August 2019 there was another problem with a ball-valve and overflow pipe. As I've said, that usually means water runs out of an overflow pipe rather than onto a ceiling. British Gas says it fixed that problem and there's no reason to think it caused ceiling damage.

On 4 October 2019 there was a leak from the water supply. British Gas didn't find its source then - or on 14 October 2019. But – from what happened on 1 November – I think it was an underground leak - and so didn't cause ceiling damage.

On 26 October 2019 there was a leak through the ceiling. British Gas said there was rainwater coming through roof.

After the ceiling collapsed, British Gas found on 30 October 2019 a pin-hole leak on the cold-water storage tank, drained it and arranged replacement on 5 November 2019. And Mr S says he had no more problems with water. So I can see why he thinks British Gas should've found the leak and replaced the tank sooner.

But there's not enough evidence of when the pin-hole leak had started. And I don't find enough evidence that British Gas caused that leak. So I don't find that British Gas caused damage to Mr S's property.

Therefore the damage is excluded by the policy terms. In view of the availability of other insurance (albeit subject to an excess) I don't find that exclusion unfair or unreasonable in Mr S's case. So I don't find it fair and reasonable to uphold his complaint.

On 1 November 2019 British Gas found an external leak and made access through concrete to repair it. I find it likely that this leak – as well as the pinhole leak in the tank – had been causing a loss of metered water.

British Gas sent Mr S a cheque for £600.00 compensation for the delays. That's more than I would otherwise have found fair. So I don't find it fair and reasonable to direct British Gas to pay any more.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct British Gas Insurance Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 September 2020.

Christopher Gilbert
Ombudsman