

## **The complaint**

Mr O has complained that damage was caused to his home because of the failure by British Gas Insurance Limited (BG) to identify the cause of a leak.

## **What happened**

Mr O has a Homecare policy with BG which covers him, amongst other things, for repairs to his boiler.

In May 2019 a leak was noticed from Mr O's boiler. This was beginning to cause damage to the ceiling in the room below, where a hairline crack had appeared. It was only on BG's third visit to Mr O's home that the cause of the problem – a blocked condenser pipe - was identified. But BG didn't unblock or replace this, and Mr O had to engage a third party engineer to do this at a cost of £320.

Because of the delay by BG in identifying the source of the leak, the damage to Mr O's home worsened. Water ran down a wall and damaged the floor underneath.

BG has admitted that its engineers failed to correctly diagnose the source of the problem, so this wasn't identified for several months. BG says that the damage caused to Mr O's wall and ceiling is consequential damage for which it isn't liable, and that this should be claimed for from his home insurers. BG accepted that it didn't repair the blockage and has reimbursed Mr O with the £320 it cost him to have this repaired. It also paid him £50 for the distress and inconvenience this caused him.

Mr O says that his complaint stems from the fact that the additional damage to his wall and floor wouldn't have occurred had the blockage been rectified at the first call out. He says that in addition to the further damage to his home, his family suffered the additional inconvenience of a prolonged and defective investigation, and the loss of heating and hot water.

Mr O wasn't satisfied with BG's response to his complaint, so he brought it to this service. Our investigator considered that it was BG's failure to identify the cause of the leak that resulted in additional damage being sustained to Mr O's property which could've been prevented. He considered that BG should pay for this additional damage to be repaired, but not the damage to the ceiling as that damage was present before BG became involved.

BG didn't agree with our investigator's view. It says it didn't cause the damage, and it didn't install the boiler which it believes was the cause of the damage. It maintains that this should be classified as pre-existing damage which is why it declined Mr O's claim.

Mr O's complaint has therefore been passed to me to make a final decision.

## **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'm upholding Mr O's complaint and I'll explain why.

I can see from BG's records that a number of visits were made to Mr O's home by BG engineers over a number of months. At least three visits failed to identify what was causing Mr O's boiler to leak. The leak therefore continued and the damage this was causing spread from the ceiling, where the evidence first appeared, to a wall and his floor.

I think it's clear that if the cause of the leak had been identified earlier, the damage would've been limited to the ceiling. Mr O had this repaired himself, and I think that was correct – it was consequential damage for which BG wasn't responsible.

I've looked at Mr O's policy, and amongst the General Exclusions it states:

***“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.”*

I believe that whilst BG didn't directly cause the leak and isn't responsible for any initial damage this might've caused before it became involved, it was responsible for the damage getting worse. I don't consider this to be consequential damage. It was directly attributable to BG's failure to identify and repair the source of the leak. Mr O had to have this repair undertaken by other engineers and BG, in my view quite properly, reimbursed him for that cost.

So I don't accept BG's contention that it isn't responsible for the damage to Mr O's walls and floor. Nor do I think it's relevant that BG didn't install the boiler. And whilst Mr O may have home insurance that would cover this damage, I don't think that it's reasonable for BG to suggest that he make such a claim. Any such claim would have financial implications for Mr O in terms of payment of an excess, and potentially higher premiums in the future.

**Putting things right**

I therefore consider it would be fair and reasonable for BG to cover the cost of repairing the damage to Mr O's wall and floor. BG should either arrange for the repair to be done by its own contractors or reimburse Mr O for arranging for the work to be done by contractors of his choosing subject to BG's prior approval of a reasonable estimate.

I also agree with our investigator that BG should pay Mr O further compensation of £50 for the trouble and upset he has suffered.

**My final decision**

For the reasons I've given above, I'm upholding Mr O's complaint.

I require British Gas Insurance Limited, at its option, to either arrange for the repairs to Mr O's walls and floor to be done by its own contractors within 28 days of the date on which we tell it Mr O accepts my final decision, or to reimburse Mr O for arranging for the work to be done by contractors of his choosing subject to BG's prior approval of a reasonable estimate.

I also require British Gas Insurance Limited to pay Mr O within 28 days compensation of £100 less any compensation it has already paid him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 3 September 2020.

Nigel Bremner  
**Ombudsman**