

The complaint

Mr P's complaint is about the handling of a claim made under his central heating and plumbing and drainage insurance policy with British Gas Insurance Limited.

What happened

I issued a provisional decision on this matter in January 2021, part of which is copied below:

"Mr P had a new boiler and radiators fitted by British Gas Services Limited (a separate part of British Gas) in November 2019. A few days after the work was finished, he noticed water dripping down the splash back behind his cooker (beneath an en suite in which the final radiator had been fitted).

Mr P says he initially thought it must be condensation but the next day there was more water and it had started to collect on the oven hob and on the kitchen floor. He therefore submitted a claim to British Gas and an appointment was made for a contractor to come out the next day (i.e. 20 November 2019).

By the time of the appointment, Mr P says water was flowing constantly through the kitchen ceiling. British Gas's contractor attended and said the leak must be from a heating pipe under the floor. He drained down the central heating system. However, he didn't have the correct tools with him to look under the bathroom floor and said someone else would have to come back out.

Mr P says the leak continued after he left, and he was without heating and hot water. Mr P says he thought it couldn't have been a leak from the heating system, given it had been drained down. So he called British Gas again and another contractor came out that same evening. He said it was probably water still draining from the central heating system, put a hose on the bathroom radiator and left.

Mr P says the leak continued. The next day the installer came out late afternoon and said he could not find the leak. He tried a few things but it did not stop the leak. He refilled the central heating system and left. The leak was still ongoing.

Mr P says that by 21 November 2019, the kitchen wall was saturated, the paint was bubbling and cracking and there were cracks in the ceiling. British Gas agreed to come back out on 22 November 2019. Mr P says British Gas tried various other things to find the leak and after a while asked for the first time where the stop tap was. The stop tap was turned off and Mr P says the leak stopped around 20 minutes later.

Apparently, the leak was from the mains supply pipe situated in the wall behind the cooker and chimney hood. British Gas's contractors told Mr P they weren't qualified to access the pipe and he'd have to get that done himself, and then they'd come back to repair the leak. He called his home insurer, who told him to get the leak repair as soon as possible to stop any further damage and to submit a claim for reimbursement of the cost. It said it would cover this and whatever redecoration was required to put the water damage right.

Mr P found a plumber that was able to do the work on 24 November 2019. He stayed away overnight the night before, so he did not have to live without any water supply.

Mr P's plumber attended on 24 November 2019 and he says he took six hours but was able to trace the leak, access it and replace the damaged section of pipe. The leak stopped and there have not been any other problems since.

Mr P's home insurer reimbursed the cost but he had to pay a £450 excess under the home insurance policy. He wants this reimbursed and is very unhappy that British Gas was not able to do what his own plumber managed, when it first came out on 20 November 2019. If it had done, the damage to his home would have been much less and he and his family would not have been left without heating, hot water or any water for several days. Mr P was also unhappy at being asked to pay the £60 excess under his policy with British Gas.

British Gas doesn't accept that it should pay anything to Mr P. It has agreed to cancel the request for payment of the £60 excess under his policy, as the claim wasn't met. However, it says the leak was caused by the person that fitted the cooker hood, causing a pin hole in the pipe which over time corroded and thinned and then started to leak. It says that because it was caused by a third party, it is not covered under the policy. In addition, British Gas says that mains supply pipes should not be set inside cavity walls, as was the case here, and Mr P's builder should have moved it. It says this is an inherent installation fault and also not covered.

Mr P is very unhappy with this. Mr P has made a number of submissions in support of his complaint, which I've summarised below:

- The policy covers up to £1,000 to gain access and make good any repair. However, British Gas made no genuine attempt to find and fix the leak.*
- He was left without heating and hot water, and without any water for a time.*
- After several days and the damage getting worse, he had no choice but to get his own contractor to find and fix the leak.*
- On the evening of 28 November 2019, British Gas's contractor called to apologise for the delay in contacting him and wanted to book in to carry out the repairs for the water leak. If he had waited for them, he'd have been without water for five more days.*
- British Gas has tried to blame him for reporting the leak incorrectly at the outset. He didn't know where the leak was from and neither did five British Gas engineers. The app used to report the leak out of hours, only allows for little information and he was not able to give a better description when reporting it.*
- The cover states all repairs to the plumbing system and the pipe in question has been in situ for at least 45 years if not longer. Suggesting that mains pipes should not be installed in a cavity in a property that is over 100 years old, is unhelpful, unreasonable and inaccurate. It is impossible and not required in law to change many of the attributes to an older property, to bring them up to current building regulations. The pipes are typical for the age and construction of the property. In any case, this had nothing to do with the leak.*
- The pipe had been fine for 13 years (after the kitchen was worked on) and then failed within days of British Gas's contractor banging away inches from it. This is beyond coincidence. It's reasonable to assume the pipe would have continued to function properly without this and that this should be classed as accidental damage and covered under that section of the policy.*

One of our investigators investigated the complaint. He did not recommend that it be upheld, as he thought British Gas was not responsible for the leak; and as senior representatives of

British Gas had not been able to find the leak, it must have been difficult to find and so it was not at fault for how long the leak was ongoing either.

Mr P does not accept the investigator's assessment, so the matter has been passed to me.

What I've provisionally 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.

Mr P's policy with British Gas says...

["Pre-existing faults

Your products] don't include cover for any faults or design faults that:

- *Were already there when your boiler, appliance or system was installed*
- *Existed when you first took out the product*
- *We've told you about before and you haven't fixed*
- *We couldn't reasonably have been expected to know about before. For example, faulty pipes that don't have the correct protection, which are buried under concrete floors*
- *Or, prevent access because a part of your system has been permanently built over*

Damage caused by anyone but us

Unless your product includes accidental damage we won't cover any damage you've caused. If anyone other than us carries out any work on your boiler, appliance or system and damages it, your cover doesn't include putting that right."

British Gas says that the above term means this leak was not covered, as it was caused by third party workmanship. It appears to be accepted that there was a dent in the leaking pipe, probably caused by the kitchen fitter around 12/13 years before. This might well have weakened the pipe. Mr P suggests that the forceful nature of the British Gas's contractors fitting of the radiator immediately above this pipe might have jolted it and precipitated the leak. This also seems possible.

There's no convincing evidence that the leak was caused by a third party. Even if there was a dent in the pipe caused by the kitchen fitter, I've not seen any convincing evidence that this would inevitably have corroded and caused a leak and as such, should be considered to have been pre-existing. In addition, the term above says that it does not cover faults caused by a third party working on the boiler, appliance or system and damages it. I would dispute that the situation which is assumed to have happened here would fall within this exclusion. The installer was not apparently working on the system but was installing a cooker hood and would seem to have accidentally dented a pipe. This would therefore be accidental damage and is covered. I am not therefore persuaded on the current evidence that the claim was not covered under the policy.

However, as Mr P has pointed out, British Gas only saw the dent in the pipe, after he had had the repair done independently. It seems to me that the crux of this complaint is actually British Gas's handling of the matter before that point.

I do not agree with the investigator that just because British Gas's contractors couldn't find the leak, it would have been difficult for anyone to find. Mr P reported a leak appearing in his kitchen. It is not reasonable to blame how it was reported for failing to discover that the leak was from the mains supply pipe and not the central heating system. Mr P took out this specialist insurance policy covering his central heating, plumbing and drainage with British

Gas to have cover in an emergency situation such as this. British Gas has the expertise to find and repair leaks.

I have seen no real explanation as to why any qualified plumber would not have turned the stop tap off when first attending to investigate the leak, or at any of the other appointments until it did so on 22 November 2019. This is especially after the leak was obviously ongoing even after the central heating system was drained down.

Given this, even if I agreed the leak was not covered (which I don't agree has been established) it seems to me that British Gas's prevarication at the outset and failure to competently find the source of the leak, or at the very least turn the stop tap off, resulted in considerably greater damage than would otherwise have been the case. Even if the claim is not covered British Gas owed a duty to Mr P to assess the claim competently and he was relying on its expertise to do so.

In addition, there is cover for the cost of accessing and tracing a leak and so Mr P should never have been told that British Gas could not help him to expose the leaking pipe in the kitchen. Instead British Gas left him without water and, if he had not arranged the repairs himself, would have left him like that for around a week.

I therefore consider that the complaint should be upheld and have to consider the appropriate remedy to put the matter right for Mr P. Mr P might have needed to make a home insurance claim anyway. There would inevitably have been some water damage to his kitchen. Overall, therefore I consider that the most sensible remedy is to make an award of compensation which takes account of the possibility Mr P could have avoided making a claim under his home insurance (and paying that excess of £450) and the fact he was without heating and hot water unnecessarily and was also without running water for longer than should have been the case.

I therefore consider British Gas should pay £600 compensation for the trouble caused by its handling of the matter.

My provisional decision

I intend to uphold this complaint against British Gas Insurance Limited and require it to pay Mr P the sum of £600 compensation for the distress and inconvenience caused by the handling of this matter."

Responses to my provisional decision

I invited both parties to respond to my provisional decision with any further information they want considered.

Mr P has confirmed he accepts my provisional decision and has nothing more to add.

British Gas does not accept my provisional decision. It says that the fact Mr P's contractor took six hours to locate and repair the leak, means it was clearly difficult to find. It also disagrees that corrosion over time of the dent in the pipe was not the cause of the leak.

British Gas also says it is not suggesting that old buildings shouldn't have a different placement of pipe work but it can only able to make an assessment (I assume it means an assessment of what is covered) at the earliest opportunity, which is usually when attending a fault. British Gas has asked that I consider its comments.

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 looked at all the evidence again and considered the points raised by British Gas, I am not persuaded to change my provisional findings.

I remain of the opinion that British Gas did not do enough to find the cause of the leak within a reasonable time and should not have told Mr P he would have to access the leak himself.

I do not accept that the fact it took Mr P's contractor six hours to access the exact position of the leak and repair it absolves British Gas for not being able to find that the leak was from a mains supply pipe and stopping it from continuing to cause damage sooner than it did. British Gas failed to turn off the stop tap until 22 November 2019 (even when it knew the leak could not be coming from the central heating system) leaving it leaking, causing more damage; and wrongly told Mr P he would have to gain access to the pipework himself. So, it might have been difficult to find the exact section of pipe that was leaking but my point was that British Gas failed to even find out that the leak was from a mains supply pipe. And, in any case, it should have continued its investigation to find the source of the leak, rather than just leave it leaking.

British Gas disagrees that the cause of the leak was not corrosion from a pre-existing damage. I said there was not enough evidence to say the leak was caused by a pre-existing issue and that it seemed to me the dent in the pipework would reasonably be considered to be accidental damage, which is covered. But I also noted that British Gas didn't know about the dent in the pipework until after Mr P had already had the pipe repaired privately and the main crux of the complaint is that British Gas did not find the source of the leak and stop it within a reasonable time. It had a duty to assess the claim competently and stop the leak from causing further damage to Mr P's home and I think it failed to do so.

I am not persuaded to change my mind on this point. I am not requiring British Gas to meet the claim (which has not been met by Mr P's home insurer) but I remain of the opinion that it should compensate Mr P for the poor handling of the claim in the amount of £600.

My final decision

I uphold this complaint against British Gas Insurance Limited and require it to pay Mr P the sum of £600 compensation for the distress and inconvenience caused by the handling of this matter. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 11 March 2021.

Harriet McCarthy
Ombudsman