

## The complaint

Mr E complains about the service provided by British Gas Insurance Limited under its Home Care insurance policy.

## What happened

I issued a provisional decision on this matter earlier this month, part of which is copied below:

*“Mr E holds a Home Care policy with British Gas that provides servicing and breakdown cover for his boiler. Mr E says British Gas installed the boiler in his property in about 2003 and it’s serviced the boiler on an annual basis since then. When the boiler was being serviced in February 2020 the British Gas engineer said the flue was corroded and needed replacing. He ordered the part and returned the next day. But as he pulled the flue out to replace it, the surrounding wall crumbled. He turned off the gas for safety reasons and said someone would be in touch later that day about what to do next.*

*Mr E didn’t hear anything more that day and made several calls over the next few days to find out what was going to happen. After one night without any gas, heating or hot water, Mr E allowed his tenants to move out of the property into temporary accommodation. After four days, British Gas sent another engineer to the property, but he didn’t know why he’d been sent there so nothing was done. Mr E continued to call British Gas and complained about what was happening. After a further seven days, British Gas said it wasn’t responsible for fixing the wall and it wouldn’t repair the boiler until Mr E had repaired the wall. Mr E paid for a third party to repair the wall and install a new boiler. Mr E thought British Gas should take responsibility for the poor condition of the wall that had crumbled, particularly as it had installed the original boiler in 2003. He asked it to reimburse him for the costs of repairing the wall, installing the new boiler and the costs he’d incurred in accommodating his tenants.*

*British Gas accepted it had failed to provide an appropriate level of service and paid Mr E £100 in recognition of that. But it didn’t accept it was responsible for the condition of his wall, particularly as the boiler had been installed so long ago. It also said it wasn’t responsible for replacing his boiler or for the costs he’d incurred in providing temporary accommodation for his tenants.*

*Our investigator didn’t think British Gas had acted fairly. He thought it was reasonable for British Gas to say it wasn’t responsible for repairing the wall or for replacing the boiler. But he thought the delay in telling Mr E was avoidable and unnecessary. As Mr E moved his tenants out of the property due to this delay, he thought British Gas should reimburse him for the costs he’d incurred in doing that.*

*Mr E accepted the investigator’s view, but British Gas didn’t. It said Mr E’s policy allowed it to carry out repairs within a reasonable time. It also said it had highlighted the problem with the wall when the engineer had first visited Mr E’s property in February 2020 so there was no delay in confirming it was unable to repair the flue until the wall was repaired. It thought Mr E should have taken the necessary steps at that point. As British Gas didn’t agree with the investigator’s view, the complaint has been passed to me to make a final decision.*

## **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. Having done so I intend to come to a slightly different outcome to our investigator. Let me explain why.*

*The terms and conditions of Mr E's Home Care policy says it covers him for all repairs to his boiler, including the flue. So, it was reasonable to expect British Gas to repair the corroded flue it found when its engineer carried out an annual service in February 2020. The question here is what British Gas should have done when the wall crumbled away as the engineer removed the corroded flue.*

*British Gas eventually told Mr E it wasn't responsible for repairing the wall and it wouldn't fix the boiler until Mr E repaired the wall. I think it was reasonable for British Gas to say that. The boiler was installed over 17 years before these events happened and it would be difficult to determine how or why the wall crumbled away when the flue was removed. I also note that Mr E's policy excludes any damage covered by other kinds of insurance. So, for example, it doesn't cover damage caused by extreme weather, escape of water or structural issues that would normally be covered by household insurance. So, I think it was fair for British Gas to say it wasn't responsible for the repair of the wall.*

*I also think it was fair for British Gas to say it wouldn't pay for the installation and replacement of Mr E's new boiler. I haven't seen any evidence the boiler needed replacing. And even if it did, the terms and conditions of Mr E's policy says British Gas will only replace the boiler if it can't repair it and it's less than ten years old (in circumstances where it was installed by British Gas and it had been continuously covered under either a warranty or Home Care agreement). Mr E's boiler was over ten years old.*

*So, I'm satisfied it was fair and reasonable for British Gas to refuse to pay for the costs of repairing the wall and installing a new boiler.*

*The next question is whether British Gas delayed unnecessarily in telling Mr E it wasn't responsible for repairing the damaged wall. British Gas has said its engineer highlighted the problem with the wall at the time it was damaged and there was no delay in confirming it was unable to complete the repair to the flue until the wall was repaired. It thinks Mr E should have taken necessary steps at this point and the delay in getting the wall repaired was not its fault.*

*The evidence I've seen from the first two visits are the engineer's report of the first visit and the customer checklist completed by the same engineer from the second visit. The first explains the situation with the flue and the second explains how the wall crumbled away as he was pulling the flue from the boiler. But I've seen no evidence to say British Gas confirmed or clarified it was not responsible for repairing the wall. Instead, Mr E says he was told British Gas needed to investigate further and someone would contact him later that day to come and have a look. But no one came and when he called British Gas several times over the next few days, it failed to clarify the situation. British Gas arranged for another engineer to visit a few days later but, again, nothing was confirmed or agreed.*

*It was only seven days later, 12 days after the wall was damaged, that British Gas said it wasn't responsible for repairing the wall and it wouldn't fix the boiler until that was done. Mr E then took action to repair the wall. I'm satisfied from the evidence I've seen that British Gas didn't clarify the situation until 12 days after the first visit.*

*British Gas is right to say Mr E's policy highlights the fact it will carry out any repairs or visits within a reasonable time – unless something beyond its control makes that impossible. But*

*British Gas hasn't given any reasons why it couldn't have clarified the situation with Mr E much earlier than it did. Mr E was wrong in thinking British Gas would repair the wall when it wasn't responsible for doing so. But I think British Gas had a responsibility to clarify the situation. Mr E made numerous calls to find out what was happening and British Gas took longer than necessary to explain the situation. So, I agree with our investigator that the delay was unnecessary and could have been avoided.*

*So, should British Gas pay for the cost of temporary accommodation for his tenants? His tenants had two young children and they were left without any gas, heating or hot water in February. So, I think it was fair for Mr E to agree to move them out of the property. But I think there was always likely to have been some delay in getting his boiler up and running and I don't think British Gas should take responsibility for all of that delay. Had British Gas done what it should have done and clarified the situation when the wall was damaged, Mr E would then have needed to arrange for the wall to be repaired. That could have taken a few days. And it might then have taken a few days for British Gas to return to repair the flue. So, I think there was always likely to have been a certain amount of disruption and Mr E might have needed to find temporary accommodation for his tenants while that was going on.*

*Our investigator thought British Gas should pay for all the accommodation costs between the date the tenants moved into temporary accommodation until the date it confirmed the situation with the damaged wall. But as there was always likely to have been some disruption, I think it would be fairer for British Gas to pay for a proportion of those costs. Having seen evidence of the costs Mr E incurred while his tenants were in temporary accommodation, I think it would be fair and reasonable for British Gas to pay 60% of them.*

### **Putting things right**

*In light of the above, I think British Gas need to do more to put things right. I think it would be fair and reasonable for British Gas to cover 60% of the costs of putting Mr E's tenants in temporary accommodation. Mr E has provided evidence to show the total cost of accommodating his tenants was £996.33. So, I think British Gas should pay a total of £597.80. And it should pay 8% simple interest on that amount for the period Mr E has been without payment.*

*British Gas has already paid Mr E £100 for the poor service it provided and I think that amount is fair and reasonable in the circumstances.*

### **My provisional decision**

*For the reasons I've given above, I'm currently intending to uphold Mr E's complaint in part and direct British Gas Insurance Limited to pay Mr E a total of £597.80, plus 8% simple interest from the date he gave it evidence of the costs he incurred to the date it makes payment."*

### **Responses to my provisional decision**

British Gas said it didn't agree with my provisional decision for the reasons it had already given. In summary, it said it hadn't caused the situation and it wasn't responsible for the damage to the wall. It said it had tried to repair the flue but simply hadn't been able to. It said its agreement was with Mr E, not his tenants, and the costs he'd incurred were his responsibility. British Gas also reiterated that there was no delay in confirming it was unable to complete the repair to the flue until the wall had been repaired.

Mr E said he agreed with my provisional decision in principle but thought British Gas should pay 75% of the costs, rather than the 60% I'd suggested. He said buying and installing the

new boiler had taken less than three days and it would have cost him two nights' accommodation had British Gas done what it should have done and clarified the situation when the wall had been damaged. So, he believed British Gas were responsible for a higher proportion of the costs he'd incurred.

### **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 considered all the evidence again, including the points made by British Gas and Mr E in response to my provisional decision, I'm not persuaded to change my findings.

British Gas has repeated its reasons for not upholding Mr E's complaint, but it hasn't provided any further evidence in support of its contention that there was no delay in confirming it wouldn't repair the damaged wall. I agree it wasn't responsible for repairing the wall and I don't think it needs to reimburse Mr E for the cost of replacing and installing a new boiler. But I do think it should take responsibility for the delay in clarifying the situation. Mr E incurred costs due to that delay and I think it's fair and reasonable for British Gas to reimburse him for a proportion of those costs.

Mr E believes British Gas should pay a higher proportion of his costs. I accept what he says about the time it took to buy and install the new boiler. Had British Gas not delayed in confirming the situation with the damaged wall, Mr E might have been able to buy and install a new boiler within three days, as he did a week or so later. But it might also have taken a few days longer than that or he might have decided just to repair the wall and ask British Gas to return and repair the existing boiler, which would have taken longer. It's a speculative situation and, having considered the matter again and looking at things in the round, I remain of the view that it would be fair for British Gas to pay 60% of the costs Mr E incurred.

### **Putting things right**

Mr E has provided evidence to show the total cost of accommodating his tenants was £996.33. So, I think British Gas should pay a total of £597.80, which is 60% of those costs. And it should pay 8% simple interest on that amount for the period Mr E has been without payment.

British Gas has already paid Mr E £100 for the poor service it provided and I think that amount is fair and reasonable in the circumstances.

### **My final decision**

I uphold this complaint and direct British Gas Insurance Limited to pay Mr E a total of £597.80, plus 8% simple interest from the date he gave it evidence of the costs he incurred to the date it makes payment<sup>1</sup>.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 18 March 2021.

Richard Walker

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<sup>1</sup> If British Gas Insurance Limited considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr E how much it's taken off. It should also give Mr E a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

**Ombudsman**