

The complaint

Mr S's complaint is about the handling of a claim under his central heating insurance policy with British Gas Insurance Limited.

What happened

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

"Mr S's policy covers a house he rents out. In June 2019, his tenant told him they were having problems getting hot water, so he reported a claim to British Gas. British Gas sent a contractor out on 20 June 2019 who found there was no power to the immersion heater. British Gas therefore appointed an electrician who attended the next day who said the power cable needed to be replaced. He went back four days later and replaced the cable. However, this still didn't rectify the issue, and it was found the replacement cable was faulty.

Mr S complained to British Gas that his tenant was still without hot water on 26 June 2019. The electrician returned to the property on 1 July 2019 and apparently replaced the programmer but this didn't fix it either. Another contractor attended later the same day and ordered two new immersion heaters which were installed on 18 July 2019. However, these still didn't resolve the issue and the tenants still had no hot water. Another contractor attended on 19 and 22 July 2019 to investigate. This contractor ordered some thermostats, which were installed on 31 July 2019. I understand there have been no further problems since then.

Mr S is very unhappy with the service provided. He says his tenant was without hot water for the entire time this was ongoing and had to accommodate several appointments; and the contractors that went out were often not suitably qualified to deal with the job. Mr S says he had to pay his tenant compensation of £500 and had to forego a month's rent of £1,850, as they threatened to move out, having been without hot water for two months. Mr S says he is overdrawn as a result of this loss of rental income and incurring charges. He has also asked for compensation for the trouble caused to him, including the number of phone calls he had to make to get the repairs completed.

British Gas acknowledged there were some delays, however, it says this was beyond its control, as the immersion heaters needed were of a non-standard type and therefore the delivery was delayed by its supplier. British Gas also says different thermostats had to be ordered to match the immersion heaters, which caused further delays as its supplier found it difficult to source the correct thermostats. It says the policy wording means it is not responsible for any such delays:

"Reasonable timescales

We'll carry out any repairs or visits you're entitled to within a reasonable time, unless something beyond our control makes that impossible – in which case we'll let you know as soon as possible and give you another time when we can visit."

However, British Gas did offer £100 compensation for the inconvenience.

One of our investigators looked into the matter. He didn't recommend it be upheld, as he thought British Gas's offer of compensation was reasonable. The investigator said there was a delay by British Gas of a few days but the £100 offered is reasonable compensation for this; and the rest of the time taken to resolve the issue was caused by matters outside of its control and so could not have been avoided.

Mr S does not accept the investigator's assessment, so the matter has been passed to me. He says the investigator is biased and has not considered his submissions properly.

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.

It is not in dispute that ...[it] took just under six weeks to complete the necessary repairs and restore hot water to the property. British Gas says this was beyond its control and the investigator accepted its assertions about this. I do not agree. Even if I accept there was a delay in getting parts, which was unavoidable, there was an apparent lack of urgency in returning to investigate why the hot water was still not working and returning to fit the parts once they were obtained.

It took four days and three visits for British Gas to replace the cable which was thought to be the problem. Then it was decided that a new programmer was needed and this was apparently ordered on 26 June 2019. A note on British Gas's file says this was available to collect on 28 June 2019 but the contractor didn't go back to fit it until 1 July 2019. I've seen no explanation as to why this was not available sooner, or why there was a further three day delay before going back to fit it once it was obtained.

The programmer didn't resolve the issue either, so another contractor attended and diagnosed that the immersion heaters needed to be replaced. There was then a 17 day delay in getting those and fitting them.

I've not seen any independent evidence that would verify a supply problem, as asserted by British Gas. I have, however, seen British Gas's internal note which says while it was waiting for the immersion heaters there was also a delay in booking the right contractor who could fit them: *"There was a delay of 17 days for the delivery of the correct parts and time needed to book in an appropriate engineer."* Having sufficient staff to deal with claims is within British Gas's power.

The immersion heaters were fitted on 18 July 2019 but again did not resolve the issue. A contractor went out again the next day but did not apparently do any work. British Gas's notes say it does not know why nothing was done on 19 July 2019. Then it was another three days before someone went out again and diagnosed that the heaters needed new thermostats. Again I've seen no reason for another three day delay.

There was then a further nine days before the thermostats were fitted. British Gas says this was partly because the same contractor was required to fit the thermostats. Again, in my opinion I do not think it is reasonable for British Gas to seek to evade any responsibility for a lack of suitably qualified contractors to fulfil its obligations under a home emergency insurance policy.

In total, it took 11 visits over an approximately six week period before the problem was resolved. I have not seen any reasonable explanation as to why it took so long to correctly diagnose the cause of the problem, or why so many visits were required. While there will inevitably be some delay in getting parts, I've not seen anything to support that this was

unavoidable. And, as set out above, there were significant unexplained delays between each appointment. While someone is without hot water, any such delay is unacceptable. This policy is meant to provide emergency cover to help restore basic amenities as quickly as possible in situations exactly like this.

British Gas's notes say the tenant could have boiled kettles for hot water, so they were not totally without hot water. This is of course correct but it is disingenuous to suggest that the lack of running hot water for showers/baths/washing, for six weeks, will not have caused significant discomfort and inconvenience.

British Gas has also said any loss of rent is a matter between Mr S and his tenants. I have the power to make awards for financial loss and compensation for any distress and inconvenience caused as a result of such matters. So, if I am satisfied that a loss of rent arose solely or primarily due to something done wrong by British Gas, it is something I can direct British Gas to put right by making a financial award. However, having said that, Mr S has recently told the investigator that he has no documentary evidence to prove that he lost a month's rent due to this. He has also confirmed that he did not pay his tenant any compensation.

Given this, I do not consider I can fairly make an award for the loss of rent. However, if Mr S is able to provide any such evidence in response to this decision, I will reconsider this. In the meantime, I intend to make an award of compensation to take account of the inevitable difficulties this issue would have caused for Mr S with regard to his tenant, and the inconvenience caused to him generally. I consider the sum of £350 to be appropriate in the circumstances.

My provisional decision

I intend to uphold this complaint against British Gas Insurance Limited and require it to pay Mr S the sum of £350 compensation for the distress and inconvenience caused by its handling of this claim. (For the avoidance of doubt, if British Gas has paid the £100 already offered, it only need to now pay the balance of £250.)"

Responses to my provisional decision

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

British Gas has responded and confirmed it has nothing further to add.

Mr S has also responded. He does not accept my provisional decision and says he will only accept a minimum of £1,250 compensation.

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 everything again, I do not see any reason to change my provisional findings. Mr S initially told us he had paid his tenant £500 compensation, then he told the investigator over the phone that he had not paid her anything but had let her off a month's rent of £1,850, and in another letter said he had offered her £50 per day, making a total of £1,100. However, I have seen no evidence to support any of these figures, such as bank statements to show any payments from Mr S to the tenant, or to show a loss of rent for the relevant period. Mr S has confirmed he has no documentary evidence to support what he

has said and also no corroboration has been provided by the tenant. I am not therefore satisfied I can make any award for financial loss as this has not been verified.

I do accept, however, that Mr S was caused inconvenience in having to chase the claim, including making numerous phone calls and I accept it would inevitably have also caused difficulties between him and his tenant. Mr S has highlighted that the tenant was without hot water for over three weeks and she had to accommodate several repair visits but I have no power to make an award of compensation for the tenant, as she is not the customer of British Gas. I provisionally decided that the total of £350 was appropriate to reflect the trouble this matter caused Mr S, being in line with awards made in similar cases. As no new evidence has been provided, I remain of that opinion.

My final decision

I uphold this complaint against British Gas Insurance Limited and require it to pay Mr S the sum of £350 compensation for the distress and inconvenience caused by its handling of this claim. (For the avoidance of doubt, if British Gas has paid the £100 already offered, it only need to now pay the balance of £250.)

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 May 2021.

Harriet McCarthy
Ombudsman