

The complaint

Mr G complains about British Gas Insurance Limited's (BG) level of service given during a claim made under his home emergency insurance.

What happened

Mr G contacted BG to make a claim as there was a leak in a soil pipe at his home. He was told by the advisor that soil pipes were covered under the policy and an engineer was sent to his home, after the £50 excess charge was paid.

After the initial inspection (which included making access holes in a ceiling), the engineer couldn't locate the source of the leak, so another visit was arranged. That visit found that the leak came from a soil pipe. But as the pipe contained asbestos, the repair was unable to be completed. BG told Mr G that under the terms and conditions of the policy, any asbestos found must be removed before it could carry out the repair.

Mr G didn't accept BG's explanation as he believed the terms and conditions of the policy didn't specifically exclude BG from removing the affected pipework. And that BG should do so, especially as it had originally implied it would. Mr G raised a complaint with BG.

In its final response, BG relied upon the terms and conditions of the policy, in that it said although the removal of the soil pipe was covered, the removal of the asbestos was not covered. So, it was Mr G's responsibility to remove the asbestos and obtain a certificate to prove that it had been removed, before BG would return to carry out any further repair.

BG did recognise that there had been some poor service and offered £50 as a good will gesture. Mr G wasn't happy about this outcome and referred a complaint to our service.

One of our investigators considered the complaint and didn't uphold it. He said that it wasn't unfair or unreasonable for BG not to have completed the repair, as the policy terms and conditions say that it was Mr G's responsibility to remove the asbestos. And as BG couldn't complete the repair, it couldn't fairly charge the excess and that fee should be refunded to Mr G.

He also said that alternatively, if Mr G confirmed that the asbestos had been removed, BG could keep the excess charge as it would be carrying out the repair of the pipe. But, if Mr G didn't agree with removing the asbestos, then BG ought to refund the excess charge, as it wouldn't have carried out the work.

Mr G didn't agree with our investigator. He said that the terms and conditions of the policy regarding asbestos being present, didn't refer to any claims made under the drains cover part of the policy. And as this claim was being made under the drains section, this meant BG were obliged to remove the asbestos. Also, if the asbestos was removed, there would be nothing for BG to repair. Finally, he said that he hadn't received the £50 goodwill gesture that he had accepted. So, he asked the complaint to be referred to an ombudsman.

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.

While I realise this will come as a disappointment to Mr G, I've decided not to uphold his complaint and I'll explain why.

The main issues here are:

- Whether BG are responsible for removing the asbestos.
- Whether BG has issued the £50 goodwill gesture that Mr G accepted.

Mr G purchased a home emergency policy that provided cover for his central heating, plumbing and drains. Both parties accept that asbestos was found in a soil pipe, the issue is whether BG are responsible for removing the asbestos, before completing the repair.

I have looked at the terms and conditions of the policy to see what the responsibilities of both parties are.

Mr G said that there was no specific term in the policy, under the drains cover that prevented BG from removing the asbestos. Especially, as he said BG had implied it would. But I don't agree, and I'll explain why.

The policy provides:

'We won't start or continue doing any work in your home if we believe there's a health and safety risk, for example: hazardous chemicals, pest infestations, verbal or physical abuse, or harassment. And we won't return to finish the work until that risk is gone.'

If any asbestos needs to be removed before we can repair your boiler, appliance or system, you'll need to arrange and pay for someone else to remove it and give you a Certificate of Reoccupation which you'll need to show us.'

I'm satisfied that the '*general conditions*' and in particular the '*your responsibilities*' sections (which is where the term is located) applies to the whole of the policy. The term specifically details that if asbestos is found, it needs to be removed before a repair can be completed. The responsibility to do so is that of the policyholder. Which I think means that the responsibility to remove the asbestos lies with Mr G.

The exclusion goes on to explain that if BG are working in a home and there is a health or safety risk there (such as asbestos being present), this risk will need to be removed before it can finish the work. So, Mr G's obligations under the policy are to remove the asbestos and provide evidence of its removal. Following which, BG's responsibility would be to return and complete the repair. In these circumstances, I think it's reasonable for Mr G to organise for a company to remove the asbestos and obtain proof of its removal.

I understand that Mr G has said that once the asbestos has been removed, then there will be no repair. But BG has confirmed that it will complete the repair (which in this case would be to install a new soil pipe) as per the terms and conditions of the policy. And it will co-ordinate with any company that Mr G gets to remove the asbestos so that there is no delay in installing the new pipe, which I think is fair.

I have next considered whether it's fair for BG to charge the £50 excess, given that the repair can't yet be completed. The policy provides that an excess charge (which is the amount chosen by the policyholder) is payable on each completed repair and a repair is defined as: *'repair(s)' as to fix your boiler, appliance or system following an individual fault or breakdown...* From the evidence, BG hasn't completed the repair of the soil pipe yet. I appreciate that other call outs were made to the property, but for this claim, the repair hasn't been finished. So, I don't think it's fair for BG to charge the excess, in these circumstances.

If, however, Mr G confirms that the asbestos has been removed, then it's reasonable for BG to retain the excess charge once it has completed the repair.

Mr G also raised the issue of the payment of the £50 goodwill gesture. Mr G agreed to accept BG's offer of the payment for poor service but has yet to receive the money. I contacted BG who confirmed that the payment will be re-issued. I think if Mr G does not receive the re-issued payment, then he ought to contact BG so it can arrange for the payment to be made.

Putting things right

Overall, I think that BG has been fair and reasonable in relying on the terms and conditions of the policy by not completing the repair, until Mr G confirms that the asbestos has been removed. If Mr G provides such evidence, then BG should complete the repair and can fairly charge the excess.

If Mr and Mrs G don't wish to remove the asbestos, then BG ought to refund the excess charge. Finally, BG has confirmed that it will re-issue the payment, which is fair. If Mr G doesn't receive it, he should contact BG so that payment can be made to him.

My final decision

Mr G should confirm whether the asbestos will be removed and, on its removal, provide a certificate of proof. If this is completed, British Gas Insurance Limited can retain the £50 excess charge and should complete the repair.

If Mr G decides not to remove the asbestos, then British Gas Insurance Limited should refund the £50 excess charge.

British Gas Insurance Limited should re-issue the goodwill gesture payment of £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 24 June 2021.

Ayisha Savage
Ombudsman