

The complaint

Mr M complains that British Gas Insurance Limited won't pay the full replacement cost of his cooker after long delays in obtaining replacement parts through his homecare policy.

What happened

Mr M had a cooker in rented accommodation insured with British Gas through a homecare policy. It developed a fault and an engineer came to have a look. In line with safety regulations the gas supply to the cooker was turned off. And Mr M was told the replacement parts would have to be ordered and fitted by British Gas but they could take up to fourteen days to arrive.

Mr M said he had to pay for his tenants' meals while he waited for the repairs to take place. And when he called British Gas to see where the parts were he was given conflicting information. A new cooker might be needed instead. So another engineer was booked to provide a second opinion.

A couple of days later Mr M called British Gas again to ask about the replacement parts. And he called back later that day to book a cooker installation. He told British Gas' adviser that an agent had told him British Gas would cover the installation cost if he bought a new cooker. But the adviser couldn't find any notes to confirm that.

When the adviser spoke to Mr M the following day he confirmed British Gas had no record of the offer of free installation. But Mr M had already purchased the new cooker and was waiting for its installation.

Mr M said he spent nearly £200 providing food for his tenants. Although British Gas has refunded the cost and paid for the installation it won't pay the full purchase cost of the new cooker. Mr M said he only replaced it because it was taking British Gas so long to resolve the problem. And he wants British Gas to pay the full amount.

British Gas said the replacement parts were on special order. But it accepted there'd been delays in sourcing the parts and it could see Mr M hadn't always received a high level of service. So it'd agreed to pay Mr M for the food he had to provide his tenants. And British Gas agreed to pay for the installation cost of the new cooker even though that wasn't covered by his policy.

British Gas said Mr M had agreed to have the cooker written off. And the terms of the policy meant he was entitled to 30% of the replacement value. But there'd been an error on the offer letter and British Gas had agreed to pay the amount of £174.72 stated in the letter even though 30% of the replacement cost was only £110.70. And it felt it'd handled the complaint fairly.

Mr M wasn't satisfied with British Gas' response. So he contacted our service and our investigator looked into the matter. She wasn't able to listen to the calls between Mr M and British Gas. So she looked at the call notes from British Gas' records.

Our investigator couldn't see any indication that reimbursing the full cooker costs had been discussed. Mr M had mainly talked about the cooker installation and the cost of doing so. So she didn't have sufficient evidence to suggest Mr M was told the entire cost would be reimbursed. And under the terms of the policy he was only entitled to a 30% contribution.

Our investigator felt British Gas' decision to cover the installation cost and food expenses was a reasonable compensation for the distress and inconvenience Mr M had suffered. And she wouldn't be asking British Gas to do anything more.

Mr M didn't agree. He was offered the cost of a new cooker equivalent to the one he had if he didn't want to wait for the parts. The whole matter had caused him a great deal of stress and wasted time. So he's asked for an ombudsman's 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.

Firstly I'm sorry to hear of the difficulties Mr M has experienced. I can appreciate it must've been upsetting to learn British Gas wouldn't cover the full replacement cost of the new cooker. So I've looked at everything Mr M and British Gas have said to see if British Gas has done anything wrong.

My decision is based on the available evidence. Where the evidence is contradictory I have to reach a decision on the balance of probabilities. In other words I have to decide what I think is more likely to have happened in light of the evidence I've seen and the wider circumstances.

Unfortunately British Gas hasn't been able to provide copies of the calls with Mr M as they're no longer available due to the passage of time. Instead it's provided detailed call notes from its records. And Mr M has also provided his own recollection of what was said to him.

Mr M says he was given two choices – either wait until the part arrived (although there was no guarantee how long it might take) or purchase a new cooker and British Gas would pay for its cost as well as its installation. He says he was told to keep receipts so he could be reimbursed. Mr M says he was offered the full cost of a new cooker because his old cooker could still be repaired if he waited longer. Mr M says he wouldn't have bought a new one if British Gas was only going to pay 30% of the cost.

British Gas says it has no record of any of its agents offering to pay the full cost of a new cooker. And it wouldn't normally cover the cost of installation under the terms of the policy. Because of the delays in obtaining the replacement parts it was agreed to write off the cooker. British Gas' call notes say Mr M was told a 30% contribution would be made but Mr M says he was told he would get the full cost.

I've looked at the notes and I can see the initial calls were about the delays in obtaining the parts and the ongoing impact on Mr M's tenants. Although Mr M wanted the parts fitting British Gas was concerned about the cooker's safety and advised its replacement. Later calls discussed whether or not Mr M has been told British Gas would cover the installation cost of the new cooker he was advised to buy.

Mr M says when he called the cooker company himself he was told the parts were available. So if British Gas had done the same thing the cooker could've been repaired within 4 or 5 days and there'd have been no need to purchase or install a new cooker.

But from what I've seen some of the parts were special order and it wouldn't have been safe to use the cooker until all of the parts had been fitted. Although British Gas ordered the parts they didn't come in stock for a few weeks. And that's not something I can hold it responsible for. The terms and conditions of the homecare policy say British Gas will carry out any repairs within a reasonable time, unless something beyond its control makes that impossible. And unfortunately there were delays of a few weeks before the parts arrived.

I appreciate Mr M says he wouldn't have bought a new cooker if he was only getting 30% of the cost when there was an option to wait for the parts. But there's nothing on British Gas' records to show an offer was made to pay the full cost. That would've been outside of the normal terms and conditions of the policy. And I've have expected the agent to have made a clear note on the file if such an offer had been made.

Mr M's homecare policy says British Gas will repair the kitchen appliance included in the agreement. But *'if we can't repair an appliance that's less than three years old or it's not economic to do so, we'll contribute the full cost of replacing it with a similar model. If it's more than three years old we'll contribute 30% towards a similar model'*.

So I can't say British Gas has acted outside of the terms of the homecare policy when it offered only 30% of the replacement cost due to the age of the broken cooker. And I've not seen anything in the call records to show that British Gas offered to cover the full cost of a new cooker.

British Gas did acknowledge some of its communication and service could've been better. And to compensate Mr M for his trouble and upset it agreed to pay for the cost of the food he provided to his tenants. British Gas also agreed to pay the installation cost of the new cooker even though it wouldn't normally be covered under the homecare policy. And I think that's a fair and reasonable response in light of the distress Mr M has suffered and the time he's spent dealing with the matter.

I understand British Gas made a mistake when it offered Mr M £174.72 towards the £369 cost of his new cooker rather than £110.70 or 30%. Although this is nearly half of the cost British Gas has agreed to honour the higher amount. And I think that's the right thing to do in the circumstances.

I know Mr M will be disappointed with this outcome. But I've not seen anything to confirm that British Gas agreed to pay the full cost of the new cooker. I think British Gas' offer to pay for the food and installation costs and to reimburse Mr M for nearly 50% of the replacement cost is fair and reasonable in the circumstances. And I won't be asking it to do anything more.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 June 2021.

Andrew Mason
Ombudsman