

The complaint

Ms S has complained that British Gas Insurance Limited (BG) has rejected her claim under her HomeCare policy when a faulty pump caused damage to her home. She says that its Terms and Conditions are misleading.

What happened

Ms S's complaint arises following what she describes as a "massive" water leak through her ceiling. Apart from the effects of the leak, this left her without electricity as water was flowing through the light sockets. She contacted BG at around 1.30pm on 28 October 2020 and was told that an engineer would arrive by around 6.00pm. At around 6.00pm BG sent Ms S a text to say that its engineer had been called to another emergency and would be with her by 10.00pm. As no BG engineer arrived, Ms S called an emergency plumber who arrived within the hour. The leak had been caused by a faulty hot water recirculating pump. A BG engineer didn't arrive until the next day.

BG has said that the faulty hot water recirculating pump isn't covered by her HomeCare policy. Ms S has a HomeCare Two policy that doesn't include cover for plumbing issues. Ms S wasn't satisfied with BG's response to her complaint, so she referred it to this service. Our investigator's view was that Ms S wasn't covered for plumbing problems, and the pump that caused the leak was part of the plumbing system. She didn't consider that the policy terms are misleading.

Ms S doesn't accept our investigator's view. She maintains that the pump that caused the leak is a part of the hot water system, and that the hot water system and central heating are covered by the level of cover that she has. She's asked that her complaint be considered by an ombudsman. It's therefore been passed to me to make a final decision from this service.

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.

I'm not upholding Ms S's complaint and I'll explain why.

BG's HomeCare policy allows customers to choose from different levels of cover. Ms S had chosen HomeCare Two cover, which covers her for central heating problems but doesn't cover her for plumbing problems. In my view, the first question then is whether or not this particular pump was part of the central heating system, in which case the pump would be covered, or whether it was part of the plumbing system, in which case it wouldn't be covered.

Having been provided with photos of the hot water tank and the pumps connected to it, BG was able to identify that the pipework to the pump responsible for the leak is 15mm and the pipe is off the top of the cylinder. BG says it's not connected to the central heating system. Its function is to ensure consistency of hot water for taps, baths and showers. So once the location of the pump had been clarified with the help of photos provided by Ms S, it became

clear that it forms part of the plumbing rather than the heating system. It therefore falls outside the level of cover that Ms S has.

Ms S's complaint is that BG's Terms and Conditions are unclear and misleading. She says this is illustrated by the fact that BG has had to seek advice from its own experts including its national technical helpdesk as to whether or not this particular pump is covered or not. This point was clarified, though, when photos of its location were provided, which made its function clear.

Ms S has referred to wording on page 11 of the HomeCare policy booklet under the heading "Central heating". This states "*What is covered*" and then includes "*All repairs to the heat and hot water system on your property*" (my emphasis underlined). I think it is this wording that has caused some confusion.

Ms S argues that this wording means that she has cover for her hot water system without any distinction between that part of the hot water system that provides her heating (ie the central heating pump and radiators) and that which provides hot water for her taps, bath and shower. And because this wording is in a section headed "*Central Heating*", for which she has cover, she maintains that she is covered for this pump as it is part of her hot water system.

However in my view, the reference to the hot water system quoted above must relate to that part of the hot water system that provides heating, and not to that part of the hot water system that covers taps, baths and showers. In my view this is covered by the Plumbing section of the policy. I agree that this could be clearer so as not to cause the confusion that it has in Ms S's case, but I think the heading "*Central heating*" provides clarity that what is stated below it relates only to the central heating hot water system.

On page 12, there is the summary of what the Plumbing cover includes. It includes "*your hot and cold water pipes between your internal stopcock up to, and including your taps and garden taps and the flexible pipes to your kitchen appliances*", and other examples are given. The pump that caused the damage to Ms S's home was located on a pipe from her hot water cylinder to her taps.

I consider that Ms S is right in saying that it should be clear from policy wording what a customer can expect when they take out a policy. Clear wording, understandable to a lay person, will enable a customer to make an informed decision.

In my view the diagram on pages 6 and 7 of the HomeCare policy booklet provides as clear an explanation as possible as to the extent of the coverage of each section of the policy. Clearly this can't be comprehensive as customers may have introduced additional items, but in my view it provides a comprehensible guide to what is covered by each part of the policy. BG has said that if Ms S's pump had been located on the diagram, it would be found between the hot water cylinder and the hot water taps, so on the purple (plumbing) line and not on the green (central heating) line in the diagram.

A policy to be manageable can't be expected to mention every possible item or contingency, and I think it reasonable that if Ms S were particularly concerned as to whether this pump would be covered if she only had cover for central heating, she could've sought clarification from BG. She could then have increased her level of cover if she'd been told that the pump was only covered if she had cover for plumbing.

My final decision

For the reasons I've given above, I'm not upholding Ms S's complaint as I don't consider that British Gas Insurance Limited's terms and conditions are unclear or misleading.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 30 August 2021.

Nigel Bremner
Ombudsman