

The complaint

Ms D complains about the way British Gas Insurance Limited's handled a claim she made, which resulted in damage being caused to her property.

What happened

Ms D contacted British Gas as she noticed water coming through her kitchen ceiling. By the time British Gas attended, she'd been able to stop the leak, and the plumber advised that a valve would need replacing.

Another plumber attended to carry out this work. When replacing the valve, he caused a severe leak, causing the electrics to short.

Ms D complained to British Gas, she said she'd been left to dry out the property herself, and when the electrics came back on, it blew the microwave and induction hob. She wanted British Gas to pay for the replacement of the appliances.

British Gas attended again to check the electrics and confirmed the appliances were damaged beyond repair, but found no other damage to the electrics had been caused. It said it thought the items had been damaged by the original leak, so Ms D should make a claim on her home insurance policy for those. It didn't agree to cover the costs.

Unhappy with British Gas' response, Ms D brought her complaint to our service. Our investigator was persuaded that it was most likely British Gas who'd caused the damage. So she recommended it pay for the cost of replacing and installing the items. She also recommended British Gas pay £400 compensation for the unnecessary distress and inconvenience it had caused Ms D after causing the second leak.

Ms D accepted the recommendations. British Gas eventually agreed to cover the cost of the appliances. But it said as Ms D hadn't given any proof of purchase, it would only offer £650 for the items. It agreed to pay the £400 compensation.

Ms D didn't accept the offer of £650. Our investigator thought it was unreasonable for British Gas to say Ms D hadn't provided any evidence to substantiate the costs, and said this is something she'd expect British Gas to do once it had agreed her proposed outcome.

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.

British Gas appear to have now accepted that its poor workmanship did cause the leak that damaged Ms D's appliances, so I haven't considered that as part of my review. Both parties have also accepted the compensation amount of £400, so I haven't considered that any further either. All that is left for me to decide is whether the offer British Gas has now made – of £650 - is fair.

As British Gas now accepts it was at fault for damaging Ms D's items, it's reasonable that it should pay the cost of replacing them, as well as installing them. It's not clear to me how British Gas has come to the figure of £650. It hasn't provided a breakdown of this or sent any evidence to show that Ms D's make and model of appliances can be fitted and installed for the price it has offered.

However, Ms D hasn't provided any quotes she's received to replace and install the appliances. So I also haven't seen any evidence to support that an offer of £650 is too low. So it isn't possible for me to decide if this amount is fair, as I've not seen anything to show how much the true cost is.

British Gas hadn't previously asked Ms D for any evidence of the cost of this before she contacted our service. It has only done so recently, so I think it's fair that it gives her the opportunity to do so. If Ms D is able to show that it will cost more than what it has already offered, then it's fair that British Gas pay for the full amount of the cost to her on receipt of this evidence.

So to resolve the complaint, British Gas is required to pay Ms D £650 to replace and install her appliances. If Ms D can provide a quote or receipt which shows the cost to be higher than this, for an equivalent make and model, then British Gas should pay any additional amount on top of the £650. If Ms D produces a receipt, it will need to add 8% simple interest onto any amount it pays, from the date of the receipt to the date of settlement, to make up for the time she has been without the money.

My final decision

My final decision is that British Gas Insurance Limited is required to pay:

- £650 for Ms D to replace and install her hob and microwave;
- If Ms D provides an invoice or receipt which shows the cost of replacing and installation – for an equivalent make or model – costs more than this, it should pay any difference;
- If Ms D provides a receipt showing she's already paid any amount, then British Gas will need to add 8% simple interest from the date of the receipt, until the date of settlement.
- British Gas Insurance Limited also needs to pay £400 compensation for distress and inconvenience it has caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 7 September 2021.

Michelle Henderson
Ombudsman