

## **The complaint**

Mr and Mrs H complain that British Gas Services Limited declined a claim under their home emergency policy.

## **What happened**

Mr and Mrs H had a home emergency policy with BG, which they had held for around 21 years. Over the years their central heating system had loss of pressure issues, which they reported to BG.

Mr and Mrs H described that some of the radiator valves developed leaks which they believed was caused by the loss of pressure in the system. The leaks caused damage to their property.

Mr and Mrs H contacted BG as they believed that had the engineers (who had previously balanced the radiators) picked up the leak in the valves, then the damage might not have happened. Following a call with a senior BG engineer, Mr and Mrs H said that BG told them to get a third-party to carry out the repair work.

Mr and Mrs H engaged the services of an engineer to replace the leaking valves and paid £570 for this. Because of the damage caused to their property, they had to have some fitted furniture removed at a cost of £792. They also had to get some carpet cut away, that had become mould and moth infested, at a cost of £320. Mr and Mrs H said that they will now need to replace the damaged carpets, which cost them £5618 in 2016, when they bought them new. Finally, some curtains were also damaged. Mr and Mrs H asked BG to reimburse their costs.

In its final response, BG declined their claim on the basis that there was no link between the leaks and the last time it was called out (which was about a year earlier). It said that there could be no suggestion that it was their engineers who were responsible for the damage caused, based on their failure to pick up the leaks on previous visits. It also said that Mr and Mrs H had prejudiced their claim as they had replaced or repaired items, before it had had the opportunity to inspect them.

Mr and Mrs H were unhappy with this outcome and referred a complaint to this service.

One of our investigators considered the complaint and ultimately upheld it. She said that BG couldn't disprove that it hadn't told Mr and Mrs H to carry out the work, so it was unfair for it to say that their claim had been prejudiced by carrying out the work. She said that she couldn't hold BG responsible for the damage to the property. But she recommended that BG pay compensation of £250 for the trouble and upset caused.

Mr and Mrs H didn't accept this outcome. They said that it wasn't right that BG year after year didn't resolve the problem and used contractors who couldn't identify issues with their system. They maintained that BG had been fully aware about the leaking valves, as the issue had been ongoing for a while. So, it was only fair that as it failed to identify and rectify

the problems, it should be held accountable for the damage caused. They asked for a decision from 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.

I considered the complaint and I thought the complaint should be upheld. I issued a provisional decision on 30 July 2021. In my provisional decision I thought that Mr and Mrs H had shown that BG were fully aware of the leaking valves as this had been an ongoing issue. I also thought Mr and Mrs H had shown that BG had failed to identify and rectify the problem. I asked both parties to provide me anything else they wished me to consider by 29 August 2021. In my provisional decision I said:

*'I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of the complaint.*

*Having done so, I'm minded to uphold this complaint and I'll explain why I've reached this decision.*

*I have reviewed the policy documents and can see that Mr and Mrs H held a home emergency policy with BG for over 21 years, which covered (amongst other things) their central heating system.*

*Mr and Mrs H describe water leaking from a few radiators in their home which they believed happened as a result of the loss of pressure in their central heating system. The main issue of this complaint is whether BG missed identifying that the leaking valves were the reason for the loss of pressure their system had. Which, then led to the damage that was caused to their property.*

*BG said that it wasn't liable for the damage caused to Mr and Mrs H's property, as it didn't agree that the servicing and balancing of the system would've caused several radiator valves to leak, unless there were unforeseen pre-existing faults with the system.*

*I have considered the call out history and as far back as 2011, Mr and Mrs H have reported issues with loss of pressure from their system. I have also seen that there have been occasions when BG attended to repair and replace leaking valves. But I haven't seen any evidence from BG that can disprove what Mr and Mrs H said. In that, there was a link between the loss of pressure and the valves leaking. All BG said was that there wasn't a link with no explanation as to why.*

*The policy provides a service, replace or repair cover. BG explained this meant that its engineers didn't diagnose faults but only repaired, replaced or serviced systems. But having looked at the call out records I think that BG do diagnose faults because it advises customers if there is a need to replace any parts – just as it advised Mr and Mrs H to replace their boiler a few years ago. So, I'm persuaded that BG ought to have identified whether the loss in pressure caused the valves to leak.*

*BG said that the last occasion that Mr and Mrs H contacted BG was around a year earlier, so there was no link between the leaking valves and the damage caused. However, Mr and Mrs H provided evidence that they had told BG about the leaking valves and that they believed*

*that this was the cause of the loss of pressure in the system. So, I'm satisfied that BG were aware of this issue. Because of this, I don't think it's reasonable that British Gas didn't take responsibility for the damage caused by the leaking radiator valves.*

*Mr and Mrs H said that BG told them in a call, to get a third party to carry out the repairs. On this advice, Mr and Mrs H did just that. However, BG later told them that they had prejudiced their claim:*

*'We have also been advised that the radiator valves have been replaced by a third party and disposed of before we could inspect them, resulting in you prejudicing your claim. Similarly, with regard to the property damage, we have been advised that the repairs to the property are also underway, again without us having been able to inspect the damage, and in doing so means you have prejudiced your claim.'*

*BG have been unable to provide any evidence that it didn't tell Mr and Mrs H to get a third party to carry out the repairs. So, I don't think BG was fair to decline the claim after Mr and Mrs H followed the advice given.*

*Overall, I think that BG didn't do enough to identify the issue with Mr and Mrs H's system and because of this, damage was caused to their property. To put matters right, BG should reimburse Mr and Mrs H's costs and pay for the damaged carpets. All on production of an invoice from Mr and Mrs H.*

*I have also considered compensation for the distress and inconvenience caused. Our investigator recommended that BG should pay £250 and I think that is fair in all the circumstances.'*

Responses to my provisional decision

Mr and Mrs H didn't respond to the provisional decision.

BG said that:

- the decision to uphold the complaint was based on the acceptance of liability under the public liability insurance claim. It said that Mr and Mrs H were directed to contact their household insurers to make a claim. Those insurers would then follow their own processes for counter claiming against BG.
- BG believed that our service didn't have the remit to consider matters relating to the damage. It also relied upon the terms and conditions of the policy that said that it wouldn't be responsible for any loss or damage caused by a system failing or breaking unless BG caused it.
- BG asked whether Mr and Mrs H had mitigated their losses and whether the radiator valves that were leaking were ones previously replaced by BG.
- BG also said that moths preferred dry conditions, rather than damp and wet conditions.

I have further reviewed the evidence given the responses received.

Mr and Mrs H held a home emergency policy with BG for several years. They said that they had been in discussion with BG about the leaking valves, in which a senior engineer instructed them to use a third-party engineer to carry out repairs. Proof of damage was later provided, and I have seen correspondence from Mr and Mrs H in which a senior BG engineer acknowledged and thanked them for providing evidence of the damage caused. I

note that BG hasn't denied that discussions took place between them and Mr and Mrs H regarding the leaking valves.

I asked Mr and Mrs H to clarify where the valves were located and whether they had been previously replaced by BG. They confirmed that the valves were the same valves that BG had replaced previously. One set of which had been replaced when a radiator was installed in 2019 but had continued to leak into 2020. The other valves had been in another bedroom and were behind some curtains that had also been damaged due to the leak.

Mr and Mrs H provided photos of the damaged curtains, which BG's senior engineer acknowledged receipt of. As well as the damaged carpets that had become mould and moth infested. Mr and Mrs H confirmed that the leak was a slow leak, which caused a damp area. BG has said that moths prefer dry conditions. But having reviewed this, their preferred habitat is damp and humid areas. Mr and Mrs H provided evidence of the moth infestation and I'm satisfied that moths were present, given the damp conditions caused by the leak.

Mr and Mrs H said that they had told BG that they believed that the loss of pressure in the system caused the valves to leak. I'm satisfied that BG were aware of this issue and because of this, I don't think it's reasonable that British Gas didn't take responsibility for the damage caused by the leaking radiator valves.

BG said that the decision to uphold the complaint was based on the acceptance of liability under the public liability insurance and that Mr and Mrs H were directed to contact their home insurers for the damage. But I don't think it's reasonable to expect a consumer to claim under a home insurance policy, when that consumer has a home emergency policy and has reasonably relied upon that policy to cover when a home emergency occurs. Accordingly, where a leak isn't identified and repaired (as in this complaint), I think that it is fair and reasonable for BG to be responsible for the consequential losses that Mr and Mrs H faced.

Finally, BG felt that our service didn't have the remit to consider matters of damage, as this is best placed to be dealt with elsewhere. I have thought about what this means, and I am satisfied that this complaint is the usual home emergency complaint that our service would normally look at. Mr and Mrs H had a policy with BG to sort out any home emergency issues that arose, given that BG didn't do enough to identify and repair those issues, then I think that it should be responsible for the damage caused as a result.

### **Putting things right**

To put matters right, BG should reimburse Mr and Mrs H's costs and pay for the damaged carpets. All on production of an invoice from Mr and Mrs H.

I have also considered compensation for the distress and inconvenience caused. I am satisfied that there was a level of distress and inconvenience caused to Mr and Mrs H, especially as they mentioned the numerous calls, they had to make to BG to try and resolve the complaint. So, I think that compensation of £250, is fair in all the circumstances.

### **My final decision**

For the reasons given, I uphold Mr and Mrs H's complaint.

To put matters right, British Gas Insurance Limited to:

Reimburse the following costs, on production of the invoices:

£570 – engineer costs for the installation of the new valves.

£792 – removal of fitted furniture.

£320 – removal of moth and mould infested carpets.

£5618 – replacement carpets.

British Gas Services Limited should also pay compensation of £250 for the trouble and upset caused.

British Gas Services Limited must pay all the above amounts within 28 days of the date on which we tell it Mr and Mrs H accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

If British Gas Services Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs H how much it's taken off. It should also give Mr and Mrs H a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 14 October 2021.

Ayisha Savage  
**Ombudsman**