DRN-3122794

The complaint

Mr F is unhappy with the service British Gas Insurance Limited (BG) provided when he claimed under his home emergency policy for an electrical fault.

What happened

Mr F reported an electrical fault with his power shower switch to BG. The earliest appointment it could offer was two weeks later. Unhappy at being without bathing facilities for so long, Mr F appointed a private electrician to complete the repair. Around three weeks later he experienced a second fault and, again, BG could only offer an appointment for two weeks later. Mr F says BG didn't attend so he employed a private electrician again to complete the repair.

Mr F complained to BG that it hadn't handled his claim well. He said the advice to wash using a wet towel was inappropriate and he didn't think BG had offered appointments that fell within a reasonable timescale.

BG said Mr F hadn't allowed it access at the appointed times, so it didn't think it had done anything wrong.

At first, our investigator didn't think BG had done anything wrong. However, on receipt of further evidence he recommended that BG should reimburse Mr F the cost of the third-party works plus 8% interest, and pay compensation of £100 for the service shortfalls.

BG said it would pay the first electrical repair fee, but it didn't agree that it had provided poor service or that reimbursement of the second invoice was warranted. That's because it considered the work that had been done was betterment.

The complaint was passed to me to decide.

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've decided to uphold Mr F's complaint and I'll explain why.

BG has agreed to cover the cost of the first repair completed by Mr F's electrician. I think that's fair in the circumstances because it's a repair BG would've completed under the policy.

Mr F would like BG to reimburse the invoice for the subsequent third-party repair. BG doesn't think the work was covered under his policy, and it says the work was betterment. BG relied on the following policy exclusion:

> *Pre-existing faults*
> *Your products don't include cover for any faults or design faults that:*

- *Were already there when your boiler, appliance or system was installed*
- *Existed when you first took out the product*
- *We've told you about before and you haven't fixed*
- *We couldn't reasonably have been expected to know about before. For example, faulty pipes that don't have the correct protection, which are buried under concrete floors*
- *Or, prevent access because a part of your system has been permanently built over*

Here, BG is saying that the work Mr F had done was to replace pre-existing faulty wiring which means it was an upgrade. I understand what BG is saying but I don't agree. Mr F had the work done because there was a fault which he says caused the electrical wire to burn. BG hadn't inspected the damage, and I'll return to this point, so it can't reasonably know what the damage was and whether there was a pre-existing fault.

I've thought about BG's view that the work was betterment. I agree that the policy only covers repairs and it is not there to provide improvements. However, if an improvement is made in the course of repairing a fault, I can't say that means it's betterment. For example, if standards required a certain type of wire when the property was built and that has since changed, I wouldn't expect BG to replace with the old standard. I'd expect the current standard would be fitted so that would be improving the wiring, but only as a matter of course when completing the repair. I've looked at what the policy says on this:

> *Making any improvements*
> *Your product only includes repairing or replacing your boiler, appliance or system when it stops working properly – it doesn't include any improvements or upgrades, for example: replacing smoke alarms that are past their recommended replacement date or expiry date, replacing working radiators, swapping standard radiator valves for thermostatic ones and replacing electrical cables and fuseboards that still work.*

I think it's clear that reference to improvements in the policy are more about personal or cosmetic preference for a newer standard. The policy states that this won't be covered if the existing cables and fuse boards still work. Mr F's shower had stopped working because he says the wire had suffered damage. So, I think it's fair to say that any improvement was simply because a newer standard replacement was fitted to effect a lasting repair to the older standard wiring which had stopped working.

For these reasons, I'm satisfied that BG should reimburse Mr F the full cost of the third-party repairs shown in the invoice he provided.

Mr F complained about the appointments BG offered. He confirmed the property didn't have other bathing facilities, but BG was unable to offer anything until two weeks later. The same was true when he raised his second claim.

The policy provides for repairs "*within a reasonable time, unless something beyond our control makes that impossible*". Mr F's claim was over the winter, festive period and I understand it's a peak time for emergency claims. I haven't seen anything to explain why appointments were not made available to him sooner than two weeks later on each occasion, though I have no reason to doubt that BG couldn't offer anything. However, I can understand that Mr F would've been concerned about the safety of the wiring and inconvenienced at having been without bathing facilities for four weeks at this point.

That brings me to Mr F's concerns regarding BG's response when he said there were no other bathing facilities. He was unhappy with the advice given which was to use a wet towel. Although there's no evidence of this advice, I have no reason to doubt that Mr F was upset by the way BG responded to his reasonable concerns about being without bathing facilities. I think that's a shortfall in service.

Returning to the comment I made earlier that BG hadn't seen the damage, Mr F says BG didn't turn up to the second appointment. BG says it attended both appointments, but it was either denied access or Mr F didn't answer the door. Looking at BG's records, it seems Mr F had always expressed his dissatisfaction regarding the first appointment. Indeed, he refused the first one because he didn't think it was soon enough but then provisionally accepted it for the day after. While BG says he denied access, I can see that BG's engineer called Mr F and he said he no longer needed the appointment because he'd had the work done.

BG said Mr F rescheduled the appointment but that doesn't seem to be the case. Its records show that he reported a further fault a few days later and he asked for an appointment which BG arranged for two weeks later. Although the engineer reported no answer when he attended, Mr F says he was in all day. I can't see that the engineer phoned Mr F while there. Looking at the invoice Mr F provided for the third-party repair, it's dated the following day. I find it unlikely that he'd wait until the day after the appointment to have the repair done if he never intended to accept BG's appointment. The timeline supports Mr F's complaint.

Overall, I don't think BG's handling of Mr F's claim was reasonable for the reasons I've given. I think compensation of £100 is fair in the circumstances and in line with awards we'd make for complaints of this nature. As I've said, I'm satisfied that Mr F's claim for reimbursement of his third-party costs is fair, and that should include 8 % simple interest.

My final decision

For the reasons given above, my final decision is that I uphold the complaint and British Gas Insurance Limited must:

- reimburse Mr F a total of £605 to cover the cost of the third-party repairs to his shower;
- pay 8% simple interest* on the reimbursement, and
- pay him £100 compensation for the service shortfalls identified above.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 19 November 2021.

Debra Vaughan
Ombudsman