

The complaint

Mr W complains that British Gas Insurance Limited (BG) unfairly declined a claim he made on a home emergency insurance policy.

What happened

Mr W holds a home emergency insurance policy with BG. There was an issue with the drains at the property and BG appointed representatives (who I'll refer to as D) to inspect these and establish the cause of the issue. No issue was found when D attended but the drains were cleaned.

When the same issue reoccurred, Mr W contacted BG again. BG asked D to attend again and on visiting D established that a connector pipe had become disconnected.

BG declined cover for the costs of repairing the pipe. It said that the wrong type of pipe had been installed and the policy didn't cover this. Mr W complained but BG said it wouldn't cover the claim.

As Mr W remained dissatisfied, he referred his complaint to our service. Our investigator thought that BG hadn't acted reasonably when it declined cover for Mr W's claim. BG didn't agree and has asked for an ombudsman's 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.

BG has referred to a condition of the policy which says there's no 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, or, in the case that the work has been completed by a third party, where work has not been completed to a satisfactory standard*
- *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"*

It seems from its correspondence with our service and Mr W that it relies on the first clause in this condition in declining cover for the claim – it says that the pipe which has become disconnected is flexible, but it should have been solid. It doesn't seem to be disputed that this flexible pipe was installed as part of the drainage system at Mr W's property.

The issue here is that BG hasn't referred to any guidance, installation guides, requirements or regulations which say that a flexible pipe shouldn't be installed in this location. D has said that this is the case but I can't see that it has referred to any such guidance. When we've

asked for the standards or guidance BG has relied on when saying that the installation of the flexible pipe constitutes a fault it has only referred to the policy terms and conditions rather than any regulations or manufacturer's guidance. In the absence of any such evidence, I don't think it's reasonable for BG to rely on this exclusion.

I'm not satisfied that BG has demonstrated that the use of the flexible pipe was an installation fault or and so I don't think it can fairly rely on the policy exclusion it's referred to. I don't think it acted fairly when it declined Mr W's claim.

In order to put things right, BG will need to reconsider the claim in accordance with the remaining terms and conditions of the policy. I understand that Mr W has paid the repair costs and so, in the event that BG confirms cover and makes a settlement of his claim, it should pay Mr W the amounts he paid for the repairs plus interest at a rate of 8% simple per year from the date of payment to the date of settlement.

My final decision

It's my final decision to uphold this complaint. In order to put things right, British Gas Insurance Limited must:

- Reconsider the claim in accordance with the remaining terms and conditions of the policy.
- In the event of making a settlement to Mr W, pay simple interest at a rate of 8% per year from the date(s) of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 1 December 2021.

Ben Williams
Ombudsman