

The complaint

Mr M complains that British Gas Insurance Ltd declined his claim to repair a leaking gas supply pipe under his home emergency policy.

What happened

Mr M's gas supply was turned off at the meter in mid-December 2020. He says the engineer attending told him there was a leak in the supply pipe under the driveway. Mr M contacted British Gas to claim under his home emergency policy. The policy provides cover for repairs to his gas supply pipe so he understood the company would pay for this.

Mr M was then told he would be charged for the work, which he disagreed with, but he agreed to an engineer visit as he had no heating or hot water. An appointment was arranged for four days after the gas was turned off. This was cancelled. A British Gas Home Care engineer managed to attend three days later but was unable to carry out the repair. Mr M was unhappy, as he had already been told a Home Care engineer wouldn't have the right equipment to carry out the repair.

Mr M complained and was given £75 in compensation for poor handling of his claim, and later a further £85 for poor communication. Because of difficulties communicating with British Gas he arranged for an independent engineer to carry out the repair. He says the company's website confirmed he could do this, in these circumstances, and claim the cost back. The company later confirmed its policy didn't cover the cost of repairs. Mr M disagreed and referred his complaint to our service.

Our investigator initially upheld Mr M's claim. But on further explanation of the terms and definitions from British Gas, he agreed cover wasn't in place because the damaged section of pipe was outside the boundary of his property. Mr M disagreed and asked for an ombudsman to review his complaint. It has been passed to me to decide.

I issued a provisional decision in November 2021 explaining that I was intending to uphold Mr M's complaint. Here's what I said:

provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I have reviewed the terms and conditions of Mr M's policy and what British Gas has said to assess whether it was fair in declining his claim.

The Insurance Product Information Document, included with Mr M's policy schedule, says:

"What is insured?"

Unlimited repairs to your boiler and controls and gas supply pipe"

To understand whether there are limitations and exclusions to this cover, I have reviewed the policy booklet, which sets out the relevant definitions and exclusions in more detail. The terms say:

“gas supply pipe

*- the pipe that connects your gas meter to your gas boiler and other gas appliances you have on your **property**.”*

And:

*“Boiler and Controls: What’s covered: All repairs to
- the gas supply pipe”*

Also:

“property/properties

- a home and all the land up to your boundary – including any detached outbuildings.”

Finally:

“home

- the building, including any attached garage or conservatory where you live or a home you own, including holiday homes or rental properties.”

British Gas says the definitions section of the policy confirms work outside the boundary of the property is excluded.

The engineer notes describing the fault, say:

“CODE0 gas leak under road between meter housing&AECV not covered capped off@meter. left heaters”.

Mr M’s gas meter is housed in the car parking area for the development. The gas supply pipe runs from the meter under the car park to his flat. As above, the engineer found a gas leak in the supply pipe under the road (car park), which is outside of the boundary of Mr M’s property.

I have thought about whether British Gas’s interpretation of the policy terms is fair in excluding Mr M’s claim, given the definitions above.

The terms are clear that repairs to the gas supply pipe are covered. I note there are no exclusions added to this.

The definition of gas supply pipe is clear - it connects the meter to a boiler or other gas appliance. The boiler or appliance must be on the customer’s property. The gas supply pipe in Mr M’s case connects to his boiler. The boiler is on his property and this is not in dispute.

What is in dispute is whether the fault on the supply pipe must also be within the boundary of Mr M’s property.

In my view it isn’t made clear that the supply pipe must be within the boundary of a customer’s property, for a fault to be covered. If British Gas intended for this to be excluded,

it hasn't made this clear in the terms of its policy. This is an important point as there will be circumstances, as is the case here, where the gas meter and therefore supply pipe are outside the boundary of the customer's property.

My understanding is the terms only require the boiler or appliance to be on the property. I don't think it's made clear that repairs to the gas supply pipe are excluded – when this is outside of the property boundary, but still between the property and the meter.

Because of this I don't think British Gas treated Mr M fairly by declining his claim to repair the gas supply pipe. He had no gas supply for heating or hot water because of this, so it's reasonable that he arranged for repairs by an independent engineer. In the circumstances I think it's fair that the company pays Mr M for the cost of this work, on provision of his invoice. This should include interest from the date the invoice was paid.

Mr M was without a gas supply for around five months. I have thought about the impact this had on him and his daughter who is asthmatic. I understand portable heaters were provided in December 2020. However, it's clear the lack of a working boiler caused worry and inconvenience over this period. Mr M also had to spend time contacting British Gas as well as arranging his own engineer to attend.

The company has paid Mr M £160 in compensation for failures in its handling of the claim. Because of the time he was without a working boiler, the inconvenience, and the worry this caused given his daughter's health condition, I think a total payment of £350 is more appropriate. British Gas should also provide a payment to cover the increased electricity costs from using the portable heaters, on provision of the relevant bills.

I said I was intending to uphold Mr M's complaint and British Gas Insurance Ltd should:

- pay for the cost of repairs on receipt of the relevant invoice including 8% simple interest calculated from the date the invoice was paid; and
- pay total compensation of £500; and
- refund the cost of additional electricity used on provision of the relevant bills.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

British Gas responded to say it was disappointed with my findings and asked that I reconsider. It says its policy terms show it covers the gas supply pipe but not the “*supplier's gas pipe*”. It refers to the following excerpts from the policy definitions section:

“gas supply pipe - the pipe that connects your gas meter to your gas boiler and other gas appliances you have on your property.”

Also:

“property/properties - a home and all the land up to your boundary – including any detached outbuildings.”

And:

“home - the building, including any attached garage or conservatory where you live or a home you own, including holiday homes or rental properties.”

British Gas says the diagram included in its policy terms shows the gas supply pipe and meter within the property boundary. After the boundary it says it's referred to as the

“Supplier’s Gas Pipe”. It says the leak was found outside Mr M’s property boundary as the meter is housed in the car parking area for the development.

British Gas also points to information from its *“Technical Team”* that says:

“The Service pipe from the road into the customers house up to the emergency control valve is owned by the gas network operator e.g. Cadent. Gas regulator and gas meter are owned by the gas supplier e.g. EON, Octopus etc. The gas pipe off the gas meter to appliances is the Customer responsibility.”

British Gas concludes its comments to say it isn’t responsible for the third party work it is being asked to pay for.

Mr M responded to query when the decision would be finalised and when he could obtain payment. But he didn’t provide any further comments for me to consider.

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.

Having done so I’m not persuaded that I should change my provisional decision.

British Gas highlights the policy definition of the gas supply pipe. It says this is the pipe that connects your gas meter to your gas boiler and other gas appliances you have on your property. I highlighted the same definition in my provisional decision. I said the definition was clear and that the leak was from the supply pipe between Mr M’s meter and his boiler.

The General Conditions section of the policy terms confirm *“What’s covered”*. This says, *“All repairs to: the gas supply pipe”*. This term is very clear that all repairs to the gas supply pipe are covered by the policy. There is no exclusion or terms attached to this here or elsewhere in the policy.

The diagram British Gas points to in its policy terms booklet labels the gas supply pipe as connecting the gas meter to the boiler (and gas appliances). The diagram doesn’t label the section of pipe that leads from the gas meter to the line representing the property boundary. But after the line the pipe is labelled *“Supplier’s Gas Pipe”*. British Gas says this shows the leak occurred on the supplier’s gas pipe, which it isn’t responsible for.

Based on the policy terms I think it’s made clear that cover is provided for the pipe that connects the meter to the boiler. As above, there are no exclusions or other conditions attached to these terms. The definitions of *“home”* and of *“property”* relate to the location of the boiler or gas appliance that the gas supply pipe connects to. The terms don’t say the gas supply pipe has to be within the customer’s property boundary to be covered, nor do the terms provide a definition that the gas supply pipe becomes the supplier’s gas pipe at the boundary of the customer’s property.

I think Mr M’s understanding of what is covered is reasonable based on what the policy terms say. I think this is what a lay person would reasonably understand from reading the policy terms. In my provisional decision I said there will be many customers where the position of the gas supply pipe connecting the meter to the boiler (or other appliance) will be outside of the property boundary. If British Gas didn’t intend the policy to cover the gas supply pipe which it says, *“connects your gas meter to your gas boiler”*, I don’t think it made this clear in its policy terms.

In considering all of this, I don't think British Gas treated Mr M fairly when declining his claim. My final decision is therefore the same as set out in my provisional decision.

In my provisional decision I awarded Mr M £350 compensation in total minus the £160 payment British Gas already paid him. But the final section of the provisional decision letter confirmed the award was £500. This was an error. Mr M is aware of this error and accepts that the award was intended to be £350 in total.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that British Gas Insurance Limited should:

- pay for the cost of repairs on receipt of the relevant invoice including 8% simple interest calculated from the date the invoice was paid; and
- pay total compensation of £350; and
- refund the cost of additional electricity used on provision of the relevant bills.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 March 2022.

Mike Waldron
Ombudsman