

The complaint

Mr W complains about British Gas Insurance Limited (British Gas) under his home emergency policy. His complaint is that British Gas failed to diagnose the cause of a water leak at his property, causing damage. Also, that they caused additional damage when trying to fix the leak.

What happened

Mr W had a home emergency policy with British Gas, covering kitchen appliances, plumbing and drains and home electricals. In December 2020 British Gas engineers attended Mr W's property to carry out repair work on some kitchen appliances. But in carrying out the work they damaged a kitchen unit housing a microwave and unplugged Mr W's freezer, causing the contents to spoil.

In February 2021, Mr W noticed water running down walls and ceiling and contacted British Gas. A plumber was sent to investigate and concluded that the cause of the water leak was the grouting and sealant around the bath. But Mr W says this was at the opposite end of the bathroom from where the water damage first appeared.

Mr W then noticed water running down the staircase walls and ceiling. He again contacted British Gas, who sent round a second plumber. He said the cause was the toilet supply pipe at the opposite end of the bathroom to where the first plumber had thought the leak had occurred. He carried out repairs, but later that day water started to flow out of the water closet cistern. A third plumber attended who was able to fix the leak successfully.

Unhappy at what had happened, and the damage caused to his property, Mr W complained to British Gas. He asked for reimbursement for the losses he said he'd incurred, including the spoilt food, replacement meals and the costs of repairing the ceiling and redecoration.

British Gas upheld Mr W's complaint in part. On the issue of the damage from the leak, they said that the damage was consequential to the leak and as such a claim would need to be made under Mr W's home insurance policy. On the issue of delays in fixing the problem they offered £200 in compensation for the distress and inconvenience caused to Mr W (from the need for a third visit to fix the problem).

Mr W then complained to this service. The main points of his complaint were that British Gas had failed to diagnose the cause of the leak properly despite two engineers visiting the property to fix the problem. Only on the third visit was the issue correctly diagnosed and fixed. Mr W was also unhappy at the damage caused and wanted British Gas to pay in full for the repairs needed to fix the damage. Mr W was also unhappy at the stress that the incident had caused on him and his wife.

Our investigator didn't uphold Mr W's complaint, concluding British Gas didn't need to take any action. She noted British Gas had accepted liability for the damage caused to the kitchen in the first incident and referred this part of the complaint to their Claim Management Unit for them to consider. They had asked for details of the cost of the spoilt food and replacement meals for them to consider. The investigator thought this

fair. On the issue of damage from the leak from the second incident, the investigator concluded that the home emergency policy didn't cover damage arising from escapes of water (or other types of damage normally covered by home insurance policies). Based on this, the investigator didn't think British Gas were liable for the cost of damage caused by the water leak and they'd acted fairly when they said they wouldn't reimburse the cost of repairs (and that Mr W should make a claim for the damage under his home insurance policy).

Mr W disagreed with the investigator's conclusions and requested an ombudsman review the complaint. He believed the damage was caused after the second plumber's visit, due to his misdiagnosis of the problem. He didn't want to claim on his home insurance policy and as he thought that British Gas had caused the damage, they should pay for the repairs.

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.

My role here is to decide whether British Gas has acted fairly towards Mr W.

There are two separate incidents in Mr W's complaint to British Gas (and his subsequent complaint to this service). I'll consider them in turn.

The first is the repairs carried out to kitchen appliances in December 2020. Mr W says that British Gas damaged a kitchen unit housing a microwave and disconnected appliances, including his freezer (causing the contents to spoil). Looking at what happened, British Gas have accepted they should meet the costs arising from this incident, saying their Claims Management Unit will consider a claim from Mr W if he's able to supply details of the costs incurred. I've thought about what happened and British Gas's response. I think it's fair and reasonable for them to consider a claim from Mr W for the losses he's incurred, so I won't be asking them to take any further action.

The second (which Mr W told us is his main concern) is the leak of water and the resulting damage, together with the visits by three different plumbers before the problem was successfully diagnosed and fixed. Mr W is unhappy at the damage caused by the leak, particularly that after the visit of the second plumber when the leak returned. He thinks that the plumbers sent by British Gas didn't diagnose the problem correctly until the visit of the third plumber. As such, he thinks British Gas should pay for the damage from the leaks and the consequent repair work and redecoration. British Gas have accepted that they caused distress and inconvenience (from having to send out a third plumber) and have offered £200 compensation. But they don't believe they should pay for the water damage from the leaks, but that it should be something for Mr W to claim through his home insurance policy.

I've considered both views carefully, together with the information and evidence available. On balance I've concluded that British Gas have acted fairly and reasonably, so I won't be asking them to take any further action. I'll set out why I've come to that view. On the issue of whether British Gas should pay for the damage from the leaks (as Mr W maintains) then I've considered the nature of home emergency policies of the type Mr W had with British Gas. Their purpose is to provide assistance to fix a range of problems that can arise, depending on the nature of cover taken out. They aren't intended to cover consequential damage from the kind of problems the policies are intended to fix. More specifically, the home emergency policy held by Mr W contains, under a heading *General exclusions*, the following term:

Any damage that's covered by other kinds of insurance

Your product doesn't include repairing or replacing any damage caused by extreme weather, flooding, escape of water, structural issues, fire or explosion – or any other kind of damage that's normally covered by household insurance..."

I think this makes it clear that damage caused by leaks (escape of water) wouldn't be covered by the home emergency policy. The expectation is that it would be covered by a home insurance policy (where 'escape of water' would be typically be an insured peril or event covered under the policy). While I can understand why Mr W might be reluctant to make a claim under his home insurance policy, based on what he's told us, I don't think that's a reason for him not making such a claim, or for British Gas to have to pay for repairs.

However, I have considered Mr W's view that British Gas caused the damage through their misdiagnosis of the cause of the leak, so should pay for the damage. I've looked at the evidence on this point. There was an escape of water that caused Mr W to contact British Gas at the time of the first leak. From what I've seen, the leak subsequently stopped, with Mr W telling our investigator that he stopped using the bathroom and there was no visible damage. But then there was a second leak. At that point the second plumber attended (in the afternoon of the day in question). Mr W subsequently contacted British Gas later the same day when there was a leak from the toilet. The third plumber attended in the evening of the same day, fixing the leak.

I've considered whether British Gas could reasonably be held directly responsible for causing any of the leaks (and any damage that resulted). Arguably that might have been the case for the leak after the second plumber's visit (but before the third visit that fixed the problem). I've considered this point, including the photographs of the damage provided by Mr W. I've also considered that the time between the leak following the second visit and the third visit was only a few hours. I'm not persuaded that all the damage would have occurred in this period (as opposed to the time before the first leak and before the second leak being noticed and British Gas attending). Based on these factors, I've concluded that British Gas can't reasonably be held to be responsible for the damage.

I've also considered the question of compensation. British Gas offered Mr W £200 in compensation for the distress and inconvenience of there having to be a third visit to fix the leak. I've also considered the fact that the third visit took place on the same day as the second, within a couple of hours of Mr W contacting British Gas. Taking these points into account, I think £200 compensation is fair and reasonable.

My final decision

For the reasons set out above, my final decision is that I don't uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 18 April 2022.

Paul King
Ombudsman