

The complaint

E complains about how British Gas Services Limited dealt with an escape of water at one of its rental properties.

Mr O brought this complaint to our service on behalf of E. For ease of reading I'll refer to all submissions as being made by Mr O.

What happened

Mr O is a director of E, which is a business that rents out a number of properties. E holds a Homecare policy with British Gas. This policy covers repair and maintenance problems that may arise within E's rental properties.

On 10 January 2021, one of E's rental properties suffered an escape of water, which was causing property damage. Mr O contacted British Gas the same day to report the escape of water. He provided his tenant's contact details and requested the attendance of an engineer.

British Gas appointed a company, which I'll refer to here as "D" to investigate and repair the leak. It said it arranged an emergency appointment for D to attend the affected rental property on 10 January.

On 10 January, D visited Mr O's rental property but stated that there was no visible leak. D observed that there was a build-up of condensation as the extractor fan wasn't working. D also checked all appliances and attributed the issue that had been reported to a drainage problem as the bathroom seals were damaged and leaking and there was water on the floor from shower and bath usage. Mr O wasn't present during this visit. However, his tenant was.

On 12 January, Mr O contacted British Gas. He said he hadn't received any updates or contact from D or British Gas following his telephone call two days earlier. He advised that he thought there was still a leak at the property, but he was unsure whether it was a constant leak because he hadn't been able to discuss the matter with his tenant. He therefore requested a further visit from D, which took place the same day. And Mr O asked that D contact him once the problem had been diagnosed.

During the visit on 12 January, British Gas said that D had removed the bath panel and observed that the pipework was dry. D noted that the bathroom floor at the back was dry. However, there were significant condensation levels within the property. The attending engineer didn't think this was responsible for causing the escape of water. They tested the heating pressure and noted no issues with this. D also removed the kitchen unit and washing machine, but no leak was detected there either. The engineer was advised that the water didn't go away whether appliances were used and had been present for a week.

D said it contacted Mr O and explained that the escape of water wasn't coming from the bath. The engineer thought it was a freshwater leak but said a return visit would be required for leak detection investigation work to be undertaken to determine the source. British Gas stated that D telephoned Mr O's tenant to arrange the leak detection investigation and offered an appointment on 14 January, which the tenant confirmed was acceptable.

Mr O said he contacted British Gas following D's visit on 12 January to explain that he lacked confidence in D's diagnosis. He stated that he had informed British Gas that, because the leak was unresolved, he'd appointed a contractor to visit the property who had identified the source of the leak but couldn't access it. So, they'd switched off the water to the properties within the building leaving all tenants without water.

British Gas said D attended the rental property on 14 January to undertake the leak detection inspection. However, no one was present at the property at that time. So, the planned work couldn't take place. Due to this a senior engineer was booked to attend the property for 24 February.

On this date, the senior engineer contacted the tenant to explain that the appointment would need to be rearranged for the following afternoon. This wasn't suitable for the tenant due to employment commitments. So, the visit was scheduled for the morning of 25 February.

On 25 February, British Gas' appointed engineer contacted Mr O to provide an estimated arrival time and was informed that the remedial works had already been completed. Mr O said that this was the first time he'd heard from British Gas since 12 January and, by this point, the third party contractor had already completed repairs at the property – this having taken place on 15 and 16 January.

On 22 April, Mr O presented British Gas with an invoice covering the cost of work undertaken on 15 and 16 January. A further invoice was sent by email to British Gas on 12 May 2021, which related to work completed on 2 February. However, British Gas refused to pay the invoices it received. So, Mr O complained.

British Gas didn't uphold Mr O's complaint. It stated that it hadn't been given a proper opportunity to undertake leak detection work prior to a third party being appointed by Mr O to complete the remedial work. And it stated that the work detailed in the invoices it had been sent were excluded under the terms of the HomeCare policy. It therefore thought it had acted reasonably in declining to pay the invoices it had received.

Being dissatisfied with British Gas' response to its complaint, Mr O referred it to our service. Our investigator looked into what happened and recommended partially upholding this complaint. They weren't persuaded that British Gas had acted unfairly in not paying the invoices Mr O had presented. But they thought it should compensate him in the sum of £200 for the trouble and upset he'd been caused by some aspects of poor service. British Gas agreed to resolve Mr O's complaint in the way our investigator had recommended. But Mr O disagreed with the proposal and asked an ombudsman to review this complaint.

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.

Our service is impartial, we don't take either side's instructions on how we investigate a complaint, and we don't regulate or punish businesses.

I'm sorry to hear about the difficulties Mr O experienced here. I know he feels very strongly about this matter. And I appreciate the reasons he's brought his complaint to our service. But, while I sympathise with them, the issue that I must determine is whether I think British Gas made a mistake, or treated Mr O unfairly, such that it needs to now put things right. In thinking about this, I've considered things from both sides.

Where the information I've got is incomplete, unclear or contradictory, as some of it is here, I must base my decision on the balance of probabilities. I'd like to thank Mr O and British Gas for the level of detail contained within their submissions. I've read and considered all the information provided and, if I haven't specifically referred to a point that Mr O or British Gas have made it isn't because I haven't considered it. My decision will focus on what I think are the key issues, which is an approach that reflects the informal nature of this service.

The terms of Mr O's Homecare policy cover repairs and maintenance problems relating to boilers, gas appliances, kitchen appliances, central heating, electrics, plumbing and drains within his rental properties.

Here, there's no dispute here that water damage occurred to Mr O's rental property following an escape of water. However, there's a dispute between Mr O and British Gas about the correct outcome of this complaint.

As I mentioned in the background to this complaint, Mr O initially contacted British Gas to report an escape of water on 10 January 2021. Based on the available evidence, I'm satisfied that he contacted British Gas as soon as he'd been notified of the problem by his tenant. I'm therefore satisfied that he acted promptly in taking action and calling on the assistance of British Gas under the terms of his Homecare policy.

I'm persuaded that British Gas promptly and proactively instructed D, its appointed agent, to attend Mr O's rental property the same day it was contacted. In doing so, British Gas correctly prioritised Mr O's claim as an emergency and appropriately recognised that an escape of water required an urgent engineer's attendance.

The evidence I've seen persuades me that reasonable efforts were made by D, on 10 January, to investigate the escape of water. I can't say that it reached an unreasonable conclusion on what could have been causing the problem that Mr O had reported based on the evidence British Gas has presented to our service.

However, I think steps could have been taken by British Gas to discuss the outcome of this visit with Mr O directly. I say this because he was the policyholder of the Homecare policy and had reported the escape of water. It's clear that Mr O hadn't been able to discuss this visit with his tenant and, from the evidence available, there appears to have been communication difficulties between both individuals. So, Mr O's only way of obtaining information about whether the escape of water had been resolved was through British Gas.

In view of the above, it's understandable that Mr O contacted British Gas on 12 January to request an update regarding the status of his claim. I've seen evidence that demonstrates that British Gas, again, treated Mr O's escape of water report urgently. I say this because D was dispatched the same day, which was as soon as Mr O had raised concerns that the leak was still present and unresolved. He says, and I accept that, he asked British Gas to contact him with its diagnosis of the problem after the engineer's visit that day.

The evidence I've seen persuades me that, during the visit on 12 January, D undertook a very thorough investigation to attempt to identify the source of the escape of water. It's difficult to envisage what further action D could have taken during its attendance at the rental property. And, given that it wasn't able to trace the leak, it correctly escalated matters by recommending a leak detection investigation. I think this was appropriate in all the circumstances. And I've seen evidence that persuades me that D contacted Mr O to explain what had happened during this visit as he'd requested.

I've listened to a call recording from 13 January, which satisfies me that British Gas contacted Mr O's tenant on 13 January 2021 to arrange the leak detection appointment. This

was arranged for 14 January, which the tenant confirmed was suitable. The call ends with a request that the tenant contact British Gas if there are any problems. No contact was made by the tenant to state that the appointment was no longer suitable.

I understand that Mr O asked to be contacted by British Gas in addition to his tenant. However, the evidence demonstrates that this related to diagnoses by D. I haven't seen enough evidence to show that Mr O had asked British Gas to contact him to arrange appointments. So, I'm unable to fairly conclude that British Gas erred in contacting only Mr O's tenant on 13 January to arrange the leak detection appointment.

I've seen evidence that satisfies me that the leak detection engineer was unable to undertake the inspection because they couldn't gain access to Mr O's rental property. British Gas has stated that the tenant didn't answer the door and this is what prevented the leak detection inspection taking place.

Had the leak detection investigation had taken place on 14 January, when it had been initially intended, I would have made a finding that this would have occurred within a reasonable time. However, that didn't happen here due to reasons beyond British Gas' control. I therefore can't fairly hold British Gas responsible for the aborted visit. However, I think British Gas missed an opportunity to contact Mr O to explain that the visit had been aborted due to issues relating to his tenant.

It's reasonable to infer that, had the leak detection appointment taken place on 14 January, this would have most likely led to the source of the escape of water being identified. On this basis, I think it's most likely that British Gas would have arranged the commission of any repairs that were covered under the terms of the Homecare policy. And I think this would have avoided Mr O having to instruct his third party contractor to attend his rental property to undertake the repairs it did.

I think British Gas made an error when it decided to arrange a further visit for 24 February following its unsuccessful attempt to access the property on 14 January. I can see from the records British Gas has supplied our service that the visit on 24 February was marked as non urgent, which I'm not persuaded was reasonable or fair given that the leak was causing property damage. British Gas has stated that this is a typing error but, based on the records and evidence I've seen, I don't accept this.

Given that British Gas was dealing with reports of an unresolved escape of water, it wasn't reasonable for it to delay further contact from an engineer until 24 February, which was over six weeks after Mr O had reported the presence of a leak. This was poor service.

British Gas has argued that Mr O ought to have chased up a return visit given that he hadn't heard from it since 12 January. And I think that's a fair comment. However, I also think responsibility lies with British Gas as the provider of the Homecare policy to communicate proactively with the policyholder in a scenario where there is an unresolved escape of water causing property damage. It didn't do that here.

I understand that Mr O's appointed contractor completed repairs on 15 and 16 January. He has said he appointed the contractor to attend his rental property on 15 January. But I haven't seen any evidence substantiating this. And, in view of the extent of the work the contractor completed, I think it's more likely that this appointment would have been booked in advance of the work taking place. It's for this reason that I'm not persuaded that British Gas' missed opportunity to contact Mr O on 14 January would have changed the overall outcome insofar as the instruction of the third party contractor is concerned.

As I mentioned in the background to this complaint, Mr O contacted British Gas following D's visit on 12 January stating that he lacked confidence in D's diagnosis. There were difficulties in Mr O being updated by his tenant and being given the information he wanted by British Gas. So, I can appreciate that Mr O felt he needed to instruct a third party contractor to attend his rental property to offer a second opinion. However, the leak detection inspection had already been requested by this time and therefore asking a third party to provide another opinion was Mr O's choice.

Mr O wants our service to direct British Gas to reimburse the costs he incurred in instructing his third party contractor. He seeks to rely on the policy British Gas implemented during the pandemic that a policyholder could instruct a local engineer in circumstances where they were without heating or hot water and it wasn't able to send its own engineer to the affected property within four days of the problem being reported. He appears to believe that this policy obliges British Gas to fund the cost of his repairs. But I'm not persuaded this policy applies. I say this because, at the time the initial report was made to British Gas, there's no evidence that the property was without heating or hot water and there's no documented evidence demonstrating that British Gas was aware that the property was without water at any time.

I haven't seen enough evidence to persuade me that British Gas is obliged to fund any work undertaken by a third party unless it's been authorised prior to the work taking place. British Gas has told our service that Mr O didn't request authorisation before instructing his third party contractor to attend his rental property and Mr O hasn't disputed this.

I recognise that Mr O incurred significant expense in tracing and repairing the leak. However, he did so without obtaining prior authority from British Gas. I'm satisfied that British Gas had already arranged a leak detection inspection and was actively progressing Mr O's claim by the time he appointed the third party contractor to undertake work on his behalf. It follows that I'm not persuaded that Mr O gave British Gas a reasonable opportunity to undertake the intended work before appointing a third party.

For the reasons outlined above I'm unable to fairly hold British Gas responsible for the costs Mr O is seeking reimbursement of in the overall circumstances and this means I'm not going to direct it to pay the invoices he presented.

Putting things right

Within this decision, I've identified where I think there was poor service. I understand that our investigator recommended that British Gas resolve this complaint by paying £200 compensation to Mr O to recognise the trouble and upset he would have been caused.

As our investigator has explained, our service can only assess any distress and inconvenience suffered by the complainant. So here, I can't consider how Mr O's tenant may have been affected by what happened.

In assessing whether the compensation that our investigator recommended British Gas pay Mr O is fair and reasonable, it may assist if I explain that when our service considers awards for non-financial loss there isn't a set formula that we use to calculate awards for particular errors. It's my role to consider what impact the business' actions have had on the consumer and to decide, within guidelines set by our service, whether compensation would be appropriate in the circumstances.

It's clear to me that Mr O's experience here went beyond mere irritation. So, I'm satisfied that an award of compensation is appropriate. Having taken on board Mr O's comments about what happened and reflecting on the aspects of poor service, I'm satisfied that the

recommended compensation is a fair amount of compensation that's proportionate to the trouble and upset that would've been caused here. This sum appropriately takes into consideration the service shortfalls I've identified within this decision and it's in line with our approach in similar scenarios. I'm sorry to disappoint Mr O but I haven't seen enough to persuade me that a higher distress and inconvenience award is warranted here.

In order to resolve this complaint, I'm directing British Gas to pay Mr O £200 in compensation. But I'm not going to tell it take any further action.

My final decision

My final decision is that I uphold this complaint in part. British Gas Services Limited should resolve this complaint by paying £200 compensation to E.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 12 August 2022.

Julie Mitchell
Ombudsman