

The complaint

Mrs C complains that British Gas Insurance Limited (British Gas) hasn't offered enough compensation for the damage she says it caused to her property after carrying out repairs to her boiler under her home emergency cover.

What happened

On 9 January 2020, an engineer from British Gas carried out work on Mrs C's boiler, situated within a built-in cupboard in Mrs C's son's bedroom. Mrs C said the boiler blew-up that night and water from it leaked into the cupboard, onto the cupboard's contents and the bedroom carpet. Water also came through the ceiling to the walls of the room below.

British Gas repaired the boiler the next day. Mrs C says that the engineer saw her son's damaged clothes – which had been in the cupboard when the boiler leaked - in the bath. Mrs C said the clothes were covered in greasy, black sludge. Mrs C said the engineer told her a manager would be in touch about the damage.

On 10 February 2020, Mr C called British Gas because he and Mrs C hadn't received a call or a visit to discuss the damage. Nobody called Mr C back. By this time Mr and Mrs C say the clothes and the carpet had begun to smell. So Mr and Mrs C say they had no choice but to dispose of the clothes and cut away the damp section of the carpet so their son could move back into his bedroom.

A manager from British Gas visited on 17 March 2020. On 9 April 2020, British Gas contacted Mrs C to say it would proceed with her damage claim once Covid-19 restrictions had lifted.

On 25 July 2020, Mr C contacted British Gas because the matter still hadn't been resolved. He said that the manager visiting his property in March 2020 had agreed that Mr and Mrs C needed to dispose of the affected part of the carpet. Mr C said as well that the redecoration of the downstairs room undertaken by British Gas earlier that month, was in no way acceptable as water marks could still be seen. British Gas say it then continued to consider Mrs C's claim.

British Gas offered Mrs C £150 for the carpet, which is what it said it would've cost to clean it. It offered nothing for the damaged clothes. Mrs C contacted British Gas on 29 August 2020 and again towards the end of September 2020 and said she was unhappy with the offer and didn't understand how the valuation of her damaged property had been decided. She felt the offer should include an amount for the damaged clothes.

On 25 November 2020, Mrs C sent British Gas a list of the damaged clothes and the replacement costs. She said her husband had lost earnings because he'd needed to be at home to accommodate visits from British Gas both before and after the boiler exploded. She said she'd spent £448 on a replacement carpet. And had spent hours on calls, emails and online chats asking British Gas to resolve the matter. She said she wanted her losses

reimbursed and compensation for her time, her husband's lost earnings and for the poor repairs to her downstairs room.

On 2 December 2020, British Gas issued its final response letter to Mrs C's complaint. It said it would pay Mrs C £300 towards her £448 carpet costs which would be in addition to the £150 offer it has already made. It said corona virus had caused all work to be placed on hold which caused delays and that it wouldn't offer anything for Mrs C's damaged clothes. It said British Gas' contractor had guaranteed the work to her downstairs room for 12 months so she was free to contact him if she was unhappy with the redecoration. And it would pay Mrs C £30 for the paint she'd given its contractor to use.

Mrs C brought her complaint to us. She was unhappy with British Gas' offer and that it'd taken British Gas four months to respond to her email about the inadequate repairs. She said water was still trapped behind the plaster in her downstairs room and the carpet couldn't have been cleaned by the time the manager attended because it'd been left so long.

Our investigator upheld Mrs C's complaint.

British Gas responded that it wanted to know why Mrs C didn't try to clean the clothes. It wanted proof that the clothes were beyond economic repair and proof of their purchase. But it agreed to pay Mrs C £200 for her distress and inconvenience and said it would contact Mrs C about a further inspection.

Mrs C told us she didn't try to clean the clothes because the engineer had seen them and had said to leave them because a manager would call about them. But no-one had got in touch, so she discarded them because they'd gone mouldy.

British Gas disagreed it should pay for the clothes when no attempt had been made to clean them. Instead it agreed to pay Mrs C an additional £100 to reflect the cost of getting them cleaned professionally.

After I'd considered all the available evidence to decide what's fair and reasonable in the circumstances of this complaint, I reached a different outcome to our investigator. Because the outcome was different, I issued a provisional decision giving both parties a further chance to comment on my findings ahead of issuing my final decision.

My provisional decision

I explained my provisional findings to both parties as follows:

"The terms of Mrs C's home emergency cover say, "We are not responsible for any loss of or damage to, or cleaning of property, furniture or fixtures as a result of your boiler, appliance or system breaking or failing unless we caused it". British Gas doesn't dispute that the actions of its engineer caused the boiler to leak on 9 January 2020. Or that Mrs C's bedroom carpet, her son's clothes and the decoration of a downstairs room were damaged by the water. So it's fair and reasonable that British Gas has taken steps towards putting right the damage.

Mrs C told us she's happy for British Gas to assess the repairs it carried out and said the contractor had been in touch about coming back. So I think British Gas' offer here to assess its repairs is fair and reasonable. But if Mrs C disagrees with the outcome of the assessment, she is free to raise any concerns with British Gas and subsequently this service if necessary.

It remains then for me to decide whether the £300 British Gas has offered to Mrs C for her carpet and the £100 offered for the damaged clothes is fair and reasonable.

Carpet and clothes

I've reviewed the video Mrs C provided of the water leaking from her boiler. The video shows water collecting in a bowl on the floor inside the cupboard. The water in the bowl appears dirty. The boiler was housed in a cupboard in a bedroom, so it's reasonable to think clothes would be stored in it as well. And they'd most likely have come into contact with the dirty water.

From the video, it's also reasonable to think that dirty water would've come into contact with the area of the carpet Mrs C cut away, as it is right next to where the bowl collecting the water was placed.

British Gas told us that the assessment visit didn't happen until mid-March 2020 because of its workload during the winter months and because of a delay in allocating Mrs C's damage claim. It also told us that "when a property damage claim is made we would ensure that a site visit takes place as quickly as possible" but that this "didn't happen in this case". So it wasn't Mrs C's fault that the assessment didn't take place until more than two months after the boiler leaked.

I don't think it's unreasonable that Mrs C left the carpet and clothes in their damaged state whilst she was waiting for British Gas to inspect them. And I don't think it's unreasonable to say that the clothes and carpet would have developed mould and smells during this time.

British Gas said Mrs C could've got the clothes and the carpet cleaned. But Mrs C is not an expert in dealing with clothes and carpets damaged by water from a boiler and I can't see that British Gas ever told Mrs C she should get the carpet and clothes cleaned because of the time the assessment was taking to arrange.

So I can't say it was unreasonable that Mrs C reached the point where she felt she needed to take matters into her own hands and dispose of the damaged carpet and clothes and that this was before the assessment took place. So I think it's fair and reasonable then that British Gas pay Mrs C the cost of replacing the damaged clothes and the carpet, because I don't think Mrs C would have acted as she did had the assessment taken place sooner.

Mrs C said she needed to replace the carpet's underlay because the greasy slime from the boiler had gone under the carpet to the underlay and floorboards. From a photo taken after the section of the carpet had been removed, I can see the underlay is still in place and shows only some water staining. So I don't think the underlay was damaged enough to need to be replaced. So it wouldn't be fair for me to require British Gas to pay for the replacement underlay.

Mrs C paid £448 to replace the carpet, which she has provided an invoice for dated 23 November 2020. British Gas should reimburse Mrs C for this amount, plus interest from the date of her invoice.

I asked Mrs C if she could provide proof of purchase for the replacement clothes. Mrs C provided a credit card statement showing a payment of £163 made to her son's school uniform provider. She also sent us a list of the clothes she said she'd replaced. But this list differed somewhat from the list she provided to British Gas. And the items she told us she'd needed to replace came to more than the £163 shown on the statement. Also, the statement was dated July 2021, so 18 months after the school uniform had been damaged. I think it likely Mrs C's son's uniform would've needed to have been replaced sooner than this. So I

can't say on balance that Mrs C's credit card statement of July 2021 evidences what she paid to replace the damaged clothes.

But despite this, it's still reasonable to think that clothes would've been stored in the cupboard and would've come into contact with the water from the boiler. But because there's no evidence of replacement costs, I'm minded instead to require British Gas to pay Mrs C the cost of replacing the clothes she's referred to consistently - so those appearing both on Mrs C's list to British Gas and the list she provided to us in May 2022. I'm also minded to include an amount for the backpack Mrs C says was damaged because it can be seen in the video footage of the leak. So I intend to require that British Gas pay Mrs C £203.47. It should also pay interest from the 25 July 2021, which is the date Mrs C made the £163 payment to her son's school uniform provider because this is the earliest evidence I've seen of Mrs C making a payment to the uniform provider.

Loss of earnings

It wouldn't be fair for me to consider here whether Mrs C should be compensated for her husband's lost earnings during British Gas' attempts to fix her boiler in the days running up to the leak on 9 January 2020. This is because I can't see that Mrs C has complained to British Gas about the service she received from British Gas during that time. Mrs C is free to raise this with British Gas, and afterwards with this service if necessary.

Mrs C also said that British Gas should compensate her for her husband's lost earnings during the repairs and the visits after the boiler exploded. She provided an invoice from her husband's company showing his hourly rate and told us when he'd been unable to work.

But when this service considers claims for loss of earnings, we think it's reasonable for consumers to provide evidence of work they've had to cancel, for example through communications with customers cancelling planned work or diary notes showing work that couldn't go ahead. Mrs C said she doubted whether she'd be able to provide this to us and we didn't receive any such evidence within the timeframe we'd asked Mrs C to provide it.

So it wouldn't be reasonable for me to require British Gas to pay Mrs C for Mr C's lost earnings after the boiler exploded. But I've considered the inconvenience caused to Mr and Mrs C by needing to be at home to accommodate the repairs and visits after the boiler leaked when making my provisional decision about compensation.

Distress and inconvenience

I'm minded to award Mrs C more than the £200 compensation set out in our investigator's view. I shall explain why.

Usually there is a degree of inconvenience involved when a consumer makes a claim on a policy. But Mrs C wasn't making a claim on a policy. She's seeking recompense for damage caused by British Gas whilst dealing with a claim on her home emergency policy.

I think Mrs C's boiler leaking on the night of the 9 January 2020, would've been especially distressing and inconvenient for Mrs C because an engineer had only attended to the boiler earlier that day. So I think Mrs C should be compensated for her boiler leaking after British Gas had been to her property earlier that day to fix it.

It was unreasonable for Mrs C to have waited over two months for British Gas to assess the damage. I'd have expected British Gas to have acted more swiftly here than it did given that the damage to Mrs C's property happened after a British Gas engineer had been working on the boiler. British Gas said the delay here was caused by its workload during the winter

months and because of delays in allocating the damage claim. Neither of these were Mrs C's fault. So I think Mrs C should be compensated for this delay.

British Gas told Mrs C that the progression of her damage claim was on hold because of Covid-19 restrictions. But I think that if British Gas had carried out the mid-March 2020 visit sooner and within a more reasonable timeframe, Covid-19 restrictions would have had a much reduced impact on the progress of Mrs C's claim. So I think Mrs C should be awarded compensation for the additional delays here.

British Gas told our investigator that the delay between July 2020 and December 2020 was caused by it not being able to agree on a settlement. But I think an agreement could've been reached much more quickly if British Gas had carried out its assessment of the damage sooner than it did. It would've been able to see the property that had been damaged before it was disposed of. And so I think it would've been less likely to dispute what had been damaged. I think, as well, British Gas wouldn't have needed to put Mrs C to the inconvenience of asking her to prove she owned the clothes she said were damaged, because it would've seen them damaged in her home. So I think it's fair and reasonable that Mrs C should be compensated for this part of the delay and for the inconvenience of being asked to provide proof of purchase for the clothes.

During British Gas' handling of the claim, both Mrs C and Mr C had to call and email British Gas a number of times to find out about their claim's progression, which they'd not have needed to do had British Gas dealt with the claim within a more reasonable timeframe. British Gas also admitted it didn't call Mr C back after Mr C requested a progress update on 10 February 2020. And Mr C had to spend time at home to facilitate repairs and visits. I think Mrs C should be compensated for these things as well as for other poor service she received from British Gas regarding her damage claim.

Mrs C said that the British Gas engineer who fixed the leak to their boiler on 10 January 2020 told them that British Gas' insurance would cover all the damage their property had suffered. Mr C also told British Gas on 25 July 2020 that the manager who visited in March 2020, agreed the damaged section of carpet had to be cut away. But there is no record or evidence of either conversation. So it wouldn't be fair or reasonable for me to award compensation here for what Mrs C says she and Mr C were told by British Gas.

So I'm minded to award Mrs C £500 for her trouble and upset, rather than the £200 awarded by our investigator. In arriving at this amount, I've taken into account the events outlined above and also borne in mind that these events only came about because Mrs C's boiler leaked after a British Gas engineer had carried out work on it. So I feel £500 better reflects the distress and inconvenience Mrs C has suffered."

Responses to my provisional decision

Mrs C initially accepted the findings of my provisional decision and provided no further information or comments.

British Gas said it didn't think it should have to pay for the replacement clothes or interest on the cost of the replacement carpet. It said Mrs C destroyed the carpet and clothes before it could inspect them, Mrs C doesn't have evidence of purchase of the replacement clothes and didn't allow British Gas to try to clean the clothes or carpet. It said that requiring it to carry out an assessment of the repairs to the water damage wasn't within this service's jurisdiction.

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 considered the responses of both parties to my provisional decision.

The water damage to Mrs C's downstairs decorations was caused by the actions of an engineer carrying out work as part of a claim Mrs C's made on her home emergency cover. And the contractor that carried out the repairs was British Gas' agent. So the quality of the repairs to the damage caused is within this service's jurisdiction because the repairs trace back to Mrs C's home emergency claim.

I explained in my provisional decision why it wasn't unreasonable for Mrs C to have disposed of the damaged clothes when she did, and without her or anyone else cleaning them. I also explained why it's reasonable for British Gas to pay £203.47 towards Mrs C's clothing costs, despite her having no direct evidence of her replacement costs.

British Gas said it shouldn't have to pay interest on the replacement costs of the new clothes. It said its final response pointed out that Mrs C had no proof of purchase of the clothes and there was no delay in it providing this information to Mrs C. But because I think it's fair and reasonable that British Gas should pay towards the damaged clothes and because British Gas didn't offer anything towards them sooner than it did, it's also reasonable that it should pay interest on its contribution.

So because British Gas' hasn't presented any new information or arguments in relation to these points, I'm not persuaded to depart from my provisional findings that it should pay towards the replacement clothes and pay interest on this amount.

I've reconsidered my provisional finding on the payment of interest on the cost of the replacement carpet. British Gas sent Mrs C a cheque for £330 dated 4 December 2020, of which £300 was for the new carpet. The cheque was sent to Mrs C a few days after the date of her invoice for the replacement of her carpet. And because Mrs C paid for the carpet only a few days before British Gas sent her a cheque towards it, I think instead that British Gas should pay interest only on the £148 portion of the invoice not covered by its cheque. British Gas and Mrs C have already provided comment on this revised finding.

Mrs C said she'd made it clear at the time that she didn't accept the cheque and so didn't cash it. But British Gas sent Mrs C a cheque that included £300 for the cost of her carpet, even if she didn't cash it. So I don't think it would be fair or reasonable for me to require British Gas to pay interest on the whole of Mrs C's invoice.

British Gas didn't agree it should pay interest on the £148 because Mrs C didn't return the paperwork it had sent her and so it couldn't release the payment to her. But the paperwork appears to relate to the £150 British Gas offered Mrs C which she complained about in August 2020, when I'm requiring British Gas to pay interest from 23 November 2020, which is later than this.

British Gas' FRL explained that its cheque, along with the £150 offer it had already made, would cover the full £448 Mrs C had paid for her new carpet. But British Gas' FRL didn't appear to take into account that its earlier offer of £150 hadn't yet been paid to Mrs C, which is something it's reasonable to expect British Gas to have known about. And I think that had it realised the £150 hadn't yet been paid, it's reasonable to think it would have issued Mrs C a cheque that would cover the full cost of her carpet, which I think was the intention it

outlined in its FRL. So Mrs C would have received reimbursement for the full cost of her replacement carpet sooner. But because Mrs C only received reimbursement for £300 of the cost of her carpet, I think it's fair and reasonable that British Gas pay interest on the remaining portion – or £148 - of Mrs C's invoice that wasn't covered by the cheque it sent to Mrs C with its FRL.

British Gas said in its response that it felt it'd handled Mrs C's damage claim to the best of its ability, given the pandemic. I explained in my provisional decision why – despite the pandemic - I felt Mrs C should be awarded compensation for the delays in handling her claim. British Gas hasn't provided any new information or evidence about this, so I'm not persuaded to depart from my provisional finding that Mrs C should be awarded compensation for the delays.

British Gas said that £500 compensation was excessive because it had offered Mrs C a contribution to her costs despite being denied the opportunity to carry out an inspection or a professional clean. But the £500 compensation I was minded to award took into account the distress and inconvenience caused to Mrs C by her boiler leaking after it was attended to by a British Gas engineer. So Mrs C having to deal with a leaking boiler, her son being unable to use his room, Mrs C having to store damp and smelly clothes and organise a replacement for her damaged carpet. The compensation amount also takes into account the delays Mrs C had suffered, and the times she'd had to contact British Gas about the progression of her claim. So I'm not persuaded to depart from my provisional decision about the amount of compensation I think Mrs C should receive.

For the reasons outlined above, I see no reason to depart from my provisional findings but for one exception - which is that British Gas should pay interest on £148 of Mrs C's carpet replacement costs from the date of her invoice rather than on the full cost set out in her invoice.

My final decision

I uphold Mrs C's complaint. I instruct British Gas Insurance Limited to pay Mrs C:

- £203.47 for the clothes damaged plus 8% simple interest from 25 July 2021;
- £448 for the replacement carpet plus 8% simple interest from the 23 November 2020 on £148 of this amount; and
- £500 for the distress and inconvenience it has caused Mrs C in handling her claim.

British Gas Insurance Limited should also carry out the assessment it has offered to Mrs C to check the quality of the repairs it undertook to remedy the water damage caused to Mrs C's downstairs room.

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

British Gas Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mrs C accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or

reject my decision before 11 November 2022.

Ruth Peek
Ombudsman