

The complaint

Mr L complained that British Gas Insurance Limited (“British Gas”) unfairly declined his claim under his home emergency / home care policy. Mr L had representation during the complaint, but for ease and simplicity, I’ll only refer to Mr L.

What happened

Mr L experienced an electrical fault in his home which left him without heating and lighting. Mr L made a claim under his homecare policy. However, Mr L was left unhappy as British Gas were unable to find a fault with his electrics which left him without power for a long period of time.

British Gas’ electrician inspected the property and he stated in his professional opinion that the property required a full re-wire. Mr L disagreed and requested further fault testing to be carried out. The electrician returned and confirmed his view that the whole system was faulty and required a re-wire. The electrician also pointed out several pre-existing installation faults. British Gas decided to decline the claim under the terms and conditions, as it said a total re-wire wasn’t covered by the policy.

Mr L appointed his own engineer who spent around 20 hours finding the fault and correcting it. He also upgraded the fuse box. So, Mr L wants the cost of the repairs refunded and all his premiums as he doesn’t feel the policy was fit for purpose for his needs. He thinks British Gas should do more to check the policy is suitable for the policyholder.

British Gas reviewed the report provided by Mr L’s electrician but didn’t change its decision to decline the claim. It said *“we believe a full re-wire of the property is required to bring the electrics up to current standards and to prevent any further issues. The work that has been undertaken by your third-party is not covered under the HomeCare policy, as the faults that were repaired, were pre-existing and upgrades to your system. As per the exclusion on the terms and conditions of the policy, page 31 - Pre-existing faults and making any improvements”*. However, British Gas did refund Mr L £74.52 which was his premium for 2021/2 as a gesture of goodwill – but pointed out its likely future faults may also not be covered for the same reasons.

Our investigator decided not to uphold the complaint. He thought British Gas had been fair to decline the claim based upon the evidence provided by its electrician as the claim wasn’t covered by the terms and conditions. He hadn’t seen evidence provided by Mr L that a full re-wire wasn’t needed. Mr L disagreed, so the case has been referred to an ombudsman.

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.

British Gas declined the claim as it said *“pre-existing faults and making any improvements”* are excluded from the policy. I can see the policy sets out this exclusion, so for British Gas to apply this exclusion it needs to have set out evidence as to why it thinks the exclusion

should apply.

Mr L was unhappy with the outcome of British Gas' first inspection of the property. I'm glad British Gas visited a second time to make sure its assessment was a fair one. British Gas' electrician provided a report following his visit. British Gas said *"in [the electrician's professional opinion the property requires a full rewire"*. The report confirms what British Gas has said. I can also see the report points out other deficiencies in Mr L's electrics. British Gas summarised these issues in its final response:

"32amp radials

No earth on the metal lighting - Unsafe

Metal shrouded cable

Outside joints covered in tape - Unsafe

70% of the house runs off the one radial - This is the faulty one".

British Gas has provided some photographs to support the report provided by its electrician. I'm not an electrician, but the photographs do suggest the wiring is old. I find the report and evidence provided persuasive.

Mr L wanted the costs of his own electrician covered for the work he did. British Gas said this wasn't covered by the policy. Mr L's electrician did a fuse box upgrade. As the policy doesn't cover improvements, I think British Gas has been fair in declining this part of the claim. British Gas declined the remainder of the costs as it said complete rewires aren't covered by the policy or pre-existing faults. British Gas' electrician has provided evidence of the need of a rewire and the existence of pre-existing faults. Therefore, I think it has been fair in declining the claim.

Mr L has stated his own electrician managed to fix the fault and a full re-wire wasn't required. I don't think that fixing a single fault proves the electrics are in good working order and there weren't pre-existing faults or the need for a re-wire. So, I'd need to see evidence that contradicts what British Gas has said. Mr L said the fault took 20 hours to locate – I think this supports British Gas' evidence that there were issues with the electrics. I wouldn't expect a fault to normally take this long to find if the electrics were generally in good order.

I've looked for further evidence that Mr L may have. Given he had his fuse box upgraded at the same time of having the fault fixed, I would've expected an electrical installation report. This would normally comment on the general condition of the electrics. Unfortunately, I haven't been provided with this report to review.

So, as I think British Gas has reached a fair conclusion based on its electrician's report and has declined the claim in line with the policy terms and conditions. I don't uphold this complaint. I haven't seen any other evidence that persuades me that British Gas has done anything wrong.

I can see as a gesture of goodwill British Gas refunded the years premium that was paid. I think this is reasonable in the circumstances. British Gas also paid £100 for failed call backs by its manager. Whilst I appreciate this would've been frustrating, I don't think it impacted British Gas' decision to decline the claim, so I think the compensation is fair for the distress and inconvenience caused.

Mr L said he thinks the policy wasn't fit for purpose so wants all his premiums paid from the inception of his insurance cover. I haven't seen evidence to support this. The policy terms are clear. I wouldn't expect British Gas to have carried out an audit of Mr L's electrics before he took out the policy. I think its reasonably clear that the policy sets the expectation the electrics need to be in general good working order (i.e. no requirement of a rewire and no

pre-existing faults).

My final decision

My final decision is that I don't uphold this complaint. I don't require British Gas Insurance Limited to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 16 November 2022.

Pete Averill
Ombudsman