

The complaint

Mr and Mrs W complain about their home emergency insurance ('Homecare') policy with British Gas Insurance Limited.

Any reference to British Gas includes the actions of any agents – such as engineers acting on their behalf.

What happened

The background to this complaint is well known to both Mr and Mrs W and British Gas. In my decision, I'll focus mainly on giving the reasons for reaching the outcome that I have.

Mr and Mrs W had a 'Homecare' insurance policy with British Gas for a heating system at their non-main residence. In January 2022 they notified British Gas of a leak at their property and later registered a claim. Various delays occurred after this and eventually the repair was completed in June 2022.

Mr and Mrs W made a complaint to British Gas about how the claim was handled and the service they'd received. British Gas accepted that things didn't happen as they should have and initially offered £50, before increasing this to £200. Unhappy, Mr and Mrs W referred their complaint to our Service for an independent review.

Our Investigator recommended that the award of £200, be increased to £300. British Gas accepted this, but Mr and Mrs W didn't and their complaint has been referred to me for a final decision.

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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to either party – it simply reflects the informal nature of our Service.

As British Gas have accepted that the service they provided fell below what would reasonably be expected, my decision will be limited to considering what British Gas needs to do to recognise this and put things right.

The impact on Mr and Mrs W

Mr and Mrs W have provided a detailed explanation of the impact of their experience and the delays in this claim being settled and have asked for compensation of around £15,000. I've considered all of the points made by Mr and Mrs W, but won't comment specifically on all of them.

From what I've seen, the address where the loss occurred was not their main residence. I accept that they stayed at the property from time to time and had previously rented the property to tenants, but many of their arguments around the impact of the delays on them aren't persuasive. This isn't at all to detract from the annoyance, inconvenience, frustration, and uncertainty that British Gas have caused them.

In response to our Investigator's assessment, Mr and Mrs W responded by email on 15 November 2022 saying:

"if we did not have use of another property, our family would have been homeless and would have had to live in a hotel for four to six weeks..."

And;

"we may well have decided to rent out the property if it had been habitable and therefore the lost rental income is a financial loss that we have suffered."

But I can only consider the realised impact to Mr and Mrs W - not hypothetical scenarios. I agree with Mr and Mrs W that if this were a family's main residence, it's likely the flat wouldn't have been habitable (because of the mains water being turned off) during the period that this claim was ongoing.

In their complaint form, Mr and Mrs W stated that they had intended to use the flat regularly after they stopped renting it out, but I've not seen persuasive supporting evidence to fairly conclude that it was *"critically important"* [email dated 15 November 2022] that Mr and Mrs W had continued access to the property. I also note that Mr and Mrs W have referred to the previous rental income they'd received as a potential loss. But again, this is hypothetical. Had the flat been rented out and they'd actually lost out on rent because of how British Gas handled things, I'd have considered this.

In summary, the material impact on Mr and Mrs W has not been as great, relative to:

- if they'd had tenants in the property; or
- if this was their main residence/family home.

But I reiterate - it's clear that British Gas repeatedly let Mr and Mrs W down and caused them avoidable trouble and upset. Although British Gas are mainly responsible for the delays in progressing this claim, right at the beginning of the claim, Mr and Mrs W had decided to take a few weeks to consider their options. This contributed to the overall time taken.

There were also other factors beyond British Gas' control - such as supply chain delays which meant the necessary order took a long time to fulfil. This is in addition to the numerous avoidable delays caused by British Gas' actions – such as the order not being placed when it should've been.

There were other costs incurred by Mr and Mrs W – such as hotel stays. I understand their argument that *'but for'* the claim taking as long as it did, they'd have had use of the flat to stay in.

I haven't seen evidence that the cost of these stays was pre-approved by British Gas prior to Mr and Mrs W booking them. I accept that the remedial works needed to be supervised and British Gas will have needed to gain access to the property. Having compared online the correspondence address we have on file for Mr and Mrs W with the address where the loss occurred, it's suggested that driving would take around one hour and 30 minutes (subject to traffic) and public transport around one hour 30 minutes to two hours. If Mr and Mrs W have chosen to stay in a hotel for a conference or convenience reasons, I can't reasonably direct

British Gas to reimburse those costs. I note on other occasions they chose to take taxis (which I'll address below).

I also won't be directing British Gas to reimburse Mr and Mrs W for utility costs or service charges that were payable regardless of the ongoing claim.

Summary

On balance, I find the figure of £300 recommended by our Investigator to be a fair, reasonable and proportionate resolution to this complaint – relative to the impact on Mr and Mrs W.

It's very disappointing to see how British Gas handled this claim and the service they provided Mr and Mrs W with. But, the awards our Service make are modest and are not designed to punish businesses for mistakes. Our Service is not the regulator of financial businesses. That is the role of the Financial Conduct Authority ('The FCA').

I also find it reasonable that British Gas reimburse Mr and Mrs W their travel costs subject to reasonable proof for the dates of 26 February 2022 and 29 May 2022. This doesn't included hotel stays.

Putting things right

I direct British Gas Insurance Limited to:

- Pay Mr and Mrs W a total of £300 for the trouble and upset their actions have caused. I note from the complaint file that £200 may have already been paid. Any outstanding amount should now be paid.
- Subject to reasonable proof, reimburse Mr and Mrs W for their travel costs for the dates of 26 February 2022 and 29 May 2022.

My final decision

I uphold this complaint and direct British Gas Insurance Limited to follow my direction as set out under the heading 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 21 February 2023.

Daniel O'Shea
Ombudsman