

## **The complaint**

Mr R complains about the poor service he received from British Gas Insurance Limited (BG) following a claim under his home emergency policy.

## **What happened**

Mr R noticed a leak at the front of the house. He contacted BG who sent an engineer. The engineer told Mr R that a specialist dig team would be required to detect the leak and advised him to also contact his water board to locate the external stop cock.

Mr R contacted his water board who located the external stopcock on a neighbour's property. Mr R contacted BG again and was told that the earliest dig team appointment would be a few weeks away. Mr R expressed his concern as he said that damage would occur due to the water being present, but BG confirmed that this was the earliest appointment available. That appointment didn't go ahead as the engineer was ill, but BG sent another engineer a few days later.

The engineer informed Mr R that the leak wasn't covered as it had been on a shared water pipe. But as a goodwill gesture, the repair had been fixed. Whilst cleaning the area, Mr R noticed that water was still leaking. He contacted BG and asked them to re-send the dig team. BG said it would send an engineer. In the mean-time Mr R contacted his water board who sent an engineer, who advised that the leak was on his property and not covered by the water board.

The BG engineer attended confirmed that there was a leak but couldn't repair the leak as a specialist team was required. Mr R said that BG told him that the leak wouldn't be covered, and the specialist wouldn't be re-sent. It said that the policy terms and conditions excluded leaks. Mr R complained as he disputed that the leak wasn't covered. As BG wouldn't carry out the repair, Mr R found independent contractors to carry out the repair at a cost of £852.

In its final response, BG maintained that the leak was one that wasn't covered as it came from a shared pipe that didn't supply Mr R's property solely. It said that a repair was carried out due to how bad the leak was and only as a goodwill gesture. But any further leaks wouldn't be repaired. It also said that it wouldn't cover the cost of any damage to the area, as it hadn't caused it.

Mr R was unhappy with the outcome and referred a complaint to our service. One of our investigators considered the complaint and thought it should be upheld. He said the policy terms and conditions didn't mention shared water pipes, so it's reasonable for policyholders to assume that a pipe that supplies water to their property, and located before the external stopcock, would be covered. He recommended that BG reimburse the £852 repair costs and £100 compensation for the distress and inconvenience caused.

Mr R accepted the view, BG did not. It said the leak was found in the water supply pipe after the point it served Mr R, so it wasn't covered. It also confirmed that it wouldn't be paying any

compensation for the trouble and upset caused, as it gave accurate advice, and the repair wasn't covered. It asked for a decision from 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.

Having done so, I will uphold this complaint, and I hope my findings explain why I think this is fair.

I have considered both party's comments, as well as the policy terms and conditions. I think, the main issue here, is whether the leak was found in the water supply pipe after the point it served Mr R's property. And whether BG applied the policy terms and conditions fairly.

Mr R said that the leak came from a pipe that supplied his home with water. He said he was advised the following from his water company: *'water company (sic) sent an engineer promptly and I was told that, as the leak to my water pipe was after the external stopcock and on my property, it definitely was not their responsibility'*.

BG said that: *'This pipe is shared and supplies 3 properties, it is after the first tee to 1st property on the share but is shared with yourself and next door meaning it is not covered and not our responsibility'*.

With this in mind, I asked both parties to supply me with diagrams of the location of the leak. BG were unable to do so, Mr R sent in the plan. Mr R said that as the pipe supplied water to his property, then under the terms and conditions of the policy, the leak should've been covered by BG and repaired.

I asked BG to comment on why it felt that the leaks were not on Mr R's property. I also ask it if it felt that the leaks were not on Mr R's property, why it then continued to attempt to repair the leaks, why hadn't it declined the claim before carrying out the repair? BG did not respond to the questions. So, I've considered what evidence I have been provided with as well as reviewed the policy terms and conditions.

Under the policy terms and conditions, the applicable term states under what is covered: *'your water supply pipe from the boundary of your property to your home.'* From the evidence provided to me, especially the plan of the property, I can see that Mr R's water was supplied with the pipe that was on his property, although the pipe was shared. Also, the leaks occurred on Mr R's land. Consequently, I'm satisfied that BG ought to have repaired the leak. And because of this, I think BG were not fair or reasonable to conclude that the leak and pipe shouldn't have been repaired.

I'm also satisfied that the water supply pipe (that had been leaking) was within the boundary of Mr R's property. As such, BG didn't fairly apply the policy terms and conditions, before declining Mr R's claim.

Mr R said that he had to pay privately at the cost of £852 to repair the leak. I think in the circumstances that BG should reimburse those costs. I also think that there was some distress and inconvenience caused, as a result of BG not carrying out the repair, when it should've. Accordingly, I think BG ought to also pay Mr R compensation of £100, for the trouble and upset this cause, as this is a fair and reasonable outcome.

### **Putting things right**

To put matters right, I direct British Gas Insurance Limited as outlined below.

### **My final decision**

For the reasons given, my final decision is that I uphold this complaint.

British Gas Insurance Limited to reimburse Mr R's costs of £852, on production of an invoice.

British Gas Insurance Limited to pay compensation of £100 for the trouble and upset caused.

British Gas Insurance Limited must pay the above compensation within 28 days of the date on which we tell it Mr R accepts my final decision. If it pays later than this, it must also pay interest at 8% a year simple on the above amount, from the date Mr R accepts my final decision, until it is paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 31 May 2023.

Ayisha Savage  
**Ombudsman**