

The complaint

Ms A complains about the service provided by British Gas Insurance Limited when she made a claim on her home emergency insurance policy.

What happened

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

Ms A had a home emergency insurance policy with British Gas. In April 2022 she had an issue with her boiler and contacted British Gas to make a claim against her policy. British Gas visited Ms A's property on 25 April 2022. A part was needed to repair the boiler. Another engineer was sent out the following day - but they weren't qualified to carry out the necessary repair work. Further appointments on 4 May and 6 May didn't go ahead. It was around this time that Ms A says she first noticed water damage (staining) on her ceiling. On 10 May, the boiler repair was completed.

Ms A raised a complaint with British Gas about how they'd handled the claim and said their delays in carrying out the repair led to further damage. British Gas offered Ms A £50 compensation because of how they'd handled things, but didn't uphold the main part of the complaint.

Ms A then referred the complaint to our Service for an independent review. Our Investigator recommended that the complaint be upheld. She recommended that Ms A obtain three quotes for the ceiling repair and cash settle on the lowest of these quotes and increase the compensation from £50 to £175. As British Gas didn't agree, the complaint was referred to me for a decision.

I sent both parties a copy of my provisional, intended findings recently. As the deadline for responses has now passed, I've now considered the complaint 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.

Both parties responded to my decision. British Gas increased their cash settlement offer by £1,240.00 to £7,440.00. Our Investigator communicated this increased offer to Ms A, but she requested a final decision.

I note that British Gas initially referred to these matters (the damage) being dealt with under a public liability policy. But I'm satisfied this complaint is one that falls under our Service's

jurisdiction - given that the root cause of the complaint is the initial claim that was made under the home emergency contract of insurance.

Since our Investigator's assessment, British Gas responded to say that they now accept liability for the ceiling damage caused. I refer to an email dated 4 May 2023:

"....our claims team confirms that we have accepted liability for the damage caused to the ceiling under the cylinder and flooring below."

This is relevant because the ceiling damage is now not in dispute. This means the scope of my decision will be limited to what needs to happen to put things right here and I'll be considering how British Gas have treated Ms A overall when responding to her claim under her home emergency policy.

Our Investigator's recommendation was that Ms A obtain three independent quotes for the repair works and British Gas cash settle the lowest of these quotes. I've noted that Ms A did provide our Service with three quotes in early January 2023 and these were shared with British Gas but they sent out a loss adjuster to inspect the property and felt the work should only cost around £6,200. This was much lower than the cheapest quote Ms A had provided. Another email from British Gas to our Service dated 4 May 2023 stated:

"Following the visit by the LA, a contractor was appointed as agreed by Ms A [redacted by Ombudsman], however, from this point there hasn't been any movement following the proposed works to be completed."

"I will liaise with the claims team and ask if a cash settlement can be agreed rather than the contractor complete the repairs."

Given the time that's passed, it seems likely that the quotes provided by Ms A may no longer be relevant – due to inflation and other factors.

I direct British Gas to either arrange for their own contractors to carry out the repairs - subject to Ms A's acceptance, or cash settle based on the lowest of the three new quotes that Ms A would need to obtain. For completeness - given that the damage may have worsened since this claim was made, I'd suggest that Ms A asks the three previous quote providers to re-visit her property rather than simply adjust the quotes based on the current cost of repair materials and labour.

How have British Gas treated Ms A overall?

Our Investigator recommended that British Gas pay Ms A, a total of £175 to recognise that they could've handled things better. I find that this doesn't go far enough to recognise the impact on Ms A. I'd also point out that almost five months have passed since the three independent quotes Ms A obtained were shared with British Gas. This is five more months more that Ms A has had to wait for a resolution to these matters that have been ongoing for over 12 months since the claim was first made.

I find that a total of £300 compensation is fair, reasonable and appropriate here. I'd also remind British Gas of their obligations under ICOBS 8.1:

"An insurer must:

- (1) handle claims promptly and fairly;*
- (2) provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress;*

- (3) *not unreasonably reject a claim (including by terminating or avoiding a policy);*
and
(4) *settle claims promptly once settlement terms are agreed.”*

Putting things right

British Gas Insurance Limited now need to, (dependant on Ms A's preference), either:

- arrange for their own contractors to carry out the repairs - subject to Ms A's acceptance; or
- cash settle the claim, based on the lowest of the three new quotes that Ms A would need to obtain.

In addition, pay Ms A, a total of £300 (to include any previous offers made or paid) in recognition of any trouble or upset caused by how they've handled this claim and the service provided.

My final decision

My final decision is that I uphold this complaint. British Gas Insurance Limited now need 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 Ms A to accept or reject my decision before 11 July 2023.

Daniel O'Shea
Ombudsman