

## **The complaint**

Ms L complains about how British Gas Insurance Limited dealt with her claim when her washing machine broke down.

## **What happened**

Ms W has a HomeCare Four policy with British Gas which covers her boiler, controls and central heating including an annual service, plus repairs to plumbing, drains, home electrics and kitchen appliances. In September 2022 her washing machine broke down and she contacted British Gas to arrange a repair.

British Gas sent an engineer to deal with the repair, but he wasn't able to do this as he said parts needed to be ordered.

Ms W was unhappy about the delay in arranging the repair as she has children and without a working washing machine she was having to use a laundrette once a week to wash their school uniforms.

Ms W called British Gas a number of times about the delay. On 12 October 2022 she called and said she was told by the first engineer that parts were required. She'd chased about this and was told they'd take about 10 days. An appointment had been booked for 12 October 2022 and she expected the repair to be completed. But when the engineer arrived he didn't have the required parts and told her an engineer from the manufacturer would be needed to complete the repair. Ms W isn't happy that this call dropped out before the conversation finished.

On 15 October 2022 British Gas called Ms W and offered her £73.60 for her laundry bills. She didn't accept this as she wanted the matter investigated, as she was still waiting for her washing machine to be repaired.

British Gas raised a complaint for her about the delays and the poor service she'd received. They called her about her complaint on 20 October 2022 and followed up the call with a letter sent on the same date.

They accepted that the level of service Ms W had received fell below what they'd expect. And in light of this and the problems she'd had as a result of this they agreed to provide her with a new washing machine and to cover the delivery costs, and the costs of disposal of her old machine as a gesture of goodwill.

British Gas have told us that Ms W was happy to accept their offer to resolve her complaint. As under the terms and conditions of her policy, where a new appliance is required and the original appliance is over three years old, as Ms W's washing machine was, she was only entitled to a 30% contribution towards the cost of the new appliance. And delivery and installation costs weren't covered.

Ms W then complained to our service as she said she was still waiting to hear from British Gas who'd told her they'd authorise a voucher for £600 to cover a replacement washing

machine, installation costs and disposal of her old machine. She was told she'd receive an email in 24 to 48 hours, but she didn't receive this so had to chase. She then received the email and started the process of ordering a new machine. She had to wait 48 hours for a further call back and was then told the voucher wasn't for £600 and installation and recycling of her old machine weren't included.

Our investigator considered the case and asked British Gas how they'd valued Ms W's washing machine, how they determined the age of her old machine and what steps she needed to take to accept their offer.

They told us they'd never agree a replacement value of £600. They simply used this figure as an illustration for Ms W, saying that if her washing machine was worth £600 she'd receive a voucher for this amount. They said their engineer would determine the age of the appliance, but if Ms W believed it was less than three years old she could produce a receipt to show this. But they had agreed to cover the cost of a replacement machine and installation and disposal charges. And to accept the offer Ms W needed to contact their suppliers whose details she had been sent.

Our investigator then asked British Gas for confirmation of the value they'd put on Ms W's washing machine, as they said they needed this information to consider if the settlement offer was fair.

British Gas provided a valuation for Ms W's old machine of £327.22 with installation charges of £25 and disposal charges of £20. Which they said would be covered in full.

Our investigator spoke to Ms W who said that following her conversation with British Gas in October, as she'd never received the promised voucher, she'd spoken to British Gas and was told this would be escalated. She's told us that the case handler was rude to her, didn't want to talk to her as he said she was abrupt, and he told her he's just returned from bereavement leave. She left a voicemail for him but he never called her back. So she'd bought a washing machine costing £529.00. With delivery, installation, and disposal charges she paid a total of £594.00. And she told us this was the least she wanted to resolve her complaint.

Our investigator tried to mediate a settlement with British Gas for Ms W, but they maintained that they'd never offered £600 and Ms W was only entitled to a replacement of an equivalent value to her old washing machine. And when asked for a copy of the call in which the settlement offer was made British Gas told us this wasn't available.

Our investigator felt the offer to replace Ms W's washing was reasonable, given the delays has caused her great inconvenience, and as her policy only covered her for 30% of the cost of a replacement. He considered what both parties had said about the offer British Gas made Ms W. And said that on balance, in the absence of a call recording, he believed Ms W was being honest about being offered up to £600. And he thought British Gas may have been unclear about what they were offering her to put things right.

So he upheld Ms W's complaint. He said Ms W acted reasonably by purchasing a washing machine within the £600 limit she believed had been offered. And he said British Gas should pay Ms W the £594 she paid for her new washing machine, but no further compensation, as this amount was reasonable to compensate her for the distress and inconvenience she'd experienced.

Ms W accepted our investigator's opinion but British Gas didn't. They maintain that at no point was Ms W offered a settlement of £600. They say this figure was only used as an example. And also that her policy only covers replacing an appliance, it doesn't cover any

upgrades.

The case has now come to me for a 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.

British Gas have accepted that the service they provided to Ms W when her washing machine broke down wasn't acceptable. So I need to consider what would be a reasonable level of compensation. And whether it's fair to say British Gas should pay Ms W the £594 she paid for her new washing machine to resolve her complaint.

In respect of kitchen appliances Ms W's policy says "What's covered. A contribution towards a replacement if we can't repair it or we decide it will cost less to replace than to repair. We'll source the replacement from our approved supplier and make the following contribution based on their current retail selling price: 100% if your appliance is less than three years old. 30% if your appliance is three years old or more."

It's not disputed that British Gas offered 100% rather than the 30% they say Ms W was due as her machine was over three years old. Ms W has suggested the machine was under three years old but hasn't provided any evidence of this.

But what amount should Ms W receive? British Gas maintain that it should be the replacement cost of her old machine, as the policy doesn't cover upgrades. So they say she should receive £372.22 inclusive of installation and disposal of her old machine.

But this ignores what Ms W has told us about the offer British Gas made. As British Gas can't provide a copy of the call in which the offer was made I can only decide on the balance of probabilities what I think was discussed.

I don't think Ms W would simply have come up with a figure £600 if this wasn't mentioned during the call. She had no reason to as she wasn't going to be buying a new washing machine, British Gas were arranging to replace her old one. British Gas may have intended to use the figure of £600 as an illustration, but that's not what Ms W took from the call. I accept her evidence that she believed she was being offered a voucher for £600 to replace her washing machine, inclusive of installation and disposal of her old machine.

Had she then been able to go ahead and order a replacement washing machine through British Gas's supplier's then I think the misunderstanding, if that's what it was, would have been resolved, as when she was ordering a replacement she'd have been told what machines were available to her.

But there were further delays and on 31 October 2022, after being without her washing machine for over a month, Ms W bought a replacement. I think it was reasonable for her to do this, given what she's told us about the difficulties of being without a washing machine. And she kept within the amount she believed British Gas had agreed, including the £20 which she was charged for delivery.

Given the initial delays, the poorly handled calls, the alternative arrangements Ms W had to make to do her washing, the cost and inconvenience of this and the further delays in organising the replacement washing machine, I'm persuaded that it was reasonable for Ms W to pay £594 for her new machine. As this was within the amount she believed British Gas had agreed she'd receive a voucher for to order a replacement.

I don't accept their argument that they shouldn't cover this amount, as the new machine is an upgrade on her old one and upgrades aren't covered by her policy. While this may be correct Ms W acted on the basis what British Gas told her, and had they made it clear to her that they'd only replace her washing machine on a like for like basis, and the amount had to be agreed, I'm persuaded she wouldn't have spent the amount she did, and it's not fair for her to be left out of pocket.

Had Ms W not told us she'd was prepared to accept the cost of her new washing machine in settlement of her complaint, I'd be looking at awarding her the cost of a replacement washing machine, the amount she spent on alternative washing arrangements and compensation for the distress and inconvenience she's experienced. Which is likely to have been equivalent to the cost of her new washing machine.

### **My final decision**

For the reasons set out above my final decision is that I uphold Ms W's complaint about British Gas Limited and to put things right I require them to pay her £594, the amount she paid for her new washing machine.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 27 July 2023.

Patricia O'Leary  
**Ombudsman**