

The complaint

Ms C is unhappy with the way in which British Gas Insurance Limited ('British Gas') handled a claim under her 'Homecare' home emergency insurance policy.

What happened

British Gas made an offer of around £1,500 to cover the cost of the kitchen flooring which was damaged. Ms C didn't think this offer was fair so rejected it.

Ms C obtained two quotes to repair the damage totalling around £11,000 and £55,000. The quotes included replacing flooring in the lounge and hallway, as well as the kitchen.

British Gas ultimately referred the quotes to a loss adjuster and offered Ms C just over £7,000 to cover the cost of replacing the kitchen flooring ('the settlement offer'). The settlement offer wasn't accepted by Ms C.

As well as being unhappy with the settlement offer, Ms C doesn't think British Gas acted fairly. She says it should've had contractors available in her area to provide a quote, rather than leaving it to her to obtain quotes. Because of delays in obtaining quotes, she says she lost the opportunity to advertise her property for sale, given the damage to the flooring hadn't been repaired.

Our investigator looked into what happened and didn't uphold Ms C's complaint. Mrs C disagreed so her complaint has been passed to me to consider everything afresh to decide.

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 has a regulatory obligation to treat customers fairly.

I can see that the issue regarding the damage to Ms C's property has been ongoing for a long time and I can understand her frustration.

Ms C has raised other complaints about British Gas, one of which has been determined by an Ombudsman in March 2022. Another is being considered separately by the Financial Ombudsman Service. For the avoidance of doubt, in this decision, I'll focus on the issues set out in the background section above.

I know Ms C will be very disappointed but for the reasons set out below, I don't uphold her complaint.

- In early 2022, British Gas told Ms C that the contractor it had used to provide a quote with a view to do the repair work needed had no available fitters in the area she lived to replace the kitchen flooring. It offered to make Ms C a cash settlement of around £1,500 to get this work done herself, which was in line with the price it had been

given for the materials. I can understand why Ms C feels that British Gas should have been able to source a contractor to repair the flooring. But, in principle, I don't think it's acted unfairly by offering to pay her a cash settlement to arrange for this work to be done herself.

- Ms C was unhappy with the monetary sum offered and for the reasons she's said in response to our investigator's view, I can understand why. However, I'm satisfied that British Gas promptly agreed for her to source her own quotes by way of comparison. And I think that was a reasonable suggestion at that stage, given the circumstances.
- Ms C was only able to obtain one quote as she told British Gas that all other firms she contacted were busy and couldn't do the work until July 2022. At that stage, in the circumstances of this case and to move the issue forward, I don't think British Gas acted unfairly by then suggesting she contact the home insurer for the property to make a claim for the damaged kitchen flooring and for the home insurer to counter-claim against British Gas. I don't think British Gas ought reasonably to have suggested this sooner as it wouldn't have known that Ms C would struggle to obtain quotes from contractors to do the repair work needed to her kitchen flooring.
- Ultimately, the home insurer could not assist. Given that British Gas could not source another contractor to quote for the repair works, I don't think it was unreasonable for British Gas to reiterate that it would consider any quotes Ms C was able to get - and restate its offer to pay Ms C around £1,500 for the kitchen floor (and a further £2,200 to help if any kitchen units need removing which couldn't be determined at that stage).
- Looking at what happened, I accept that there was then a period of a few months with little progress. Ms C was again trying to query with the freeholder of her property whether the home insurer might cover the costs in the first instance. I don't think I can reasonably hold British Gas for this. And from what I've seen, throughout this time I'm satisfied that British Gas continued to see whether its contractors had availability – for example in March and June 2022 – which I think is reasonable.
- I know Ms C was considering moving in May 2022 and instructed an estate agent to value the property. And she's provided evidence that her property has more recently been valued around £75,000 less than it was in May 2022 – the implication being that if she were to now sell, she would receive considerably less than she would've done if she'd marketed her property last year. However, on the balance of probabilities, I'm not persuaded that even if the repair work had been carried out earlier in 2022, she would've marketed the property and/or it would've been sold. There are too many variables. Further, for reasons stated above, I don't think it would be fair for me to hold British Gas responsible for the unavailability of contractors to provide quotes for the repair work; a problem that both sides had encountered. That's, of course, very unfortunate for Ms C but it was outside of the control of British Gas.
- Eventually Ms C was able to get two quotes; one totalling around £11,000 and the other around £55,000. Looking at the breakdown of works for both quotes, I don't think it was unfair for British Gas to rely on the lower quote as being an accurate reflection for the work needed. That quote included removing and replacing the lounge flooring. I don't think it was unreasonable for British Gas to explain to Ms C that the cost relating to lounge flooring would have to be met by her. There's no evidence that the lounge flooring had been damaged. I can understand why Ms C asked for this to be replaced as gesture of goodwill. But as this flooring was in a different room in the property, I don't think British Gas acted unreasonably by not offering meet the cost of replacing it.
- When an agreement couldn't be reached, I don't think British Gas unfairly referred the quotes to an independent loss adjuster. And I can see that it supported removing

the cost of replacing the lounge flooring from the lower quote received by Ms C, which formed the basis of the settlement offer.

- Ms C hasn't accepted the settlement offer as she doesn't want to be personally responsible for any costs that may exceed this quote. I know she's concerned that if the door attached to the integrated washer/dryer machine can't be repaired, it will need replacing. And this might result in all kitchen doors/cupboards having to be replaced and that's expressly not included in the quote. However, I've seen no evidence that this is likely to happen, so I don't think British Gas has acted unreasonably by repeating its offer to pay Ms C the settlement offer. And, when responding to our investigator's view, I note Ms C also thinks this isn't likely as she says the settlement offer might not be "sufficient to cover the costs in the **unlikely** event a full kitchen replacement would be necessary, and a full floor replacement be necessary" [my emphasis].
- Ms C also says the service charges for her property have increased. I've seen evidence that they have gone up, but this reflects the increase is due to the total budget being increased over the last three years. There's nothing to suggest that the increase was caused by any failings by British Gas or because of the escape of water incident.
- Ms C also says she missed out on job opportunities because she was without a washing/dryer machine, she was spending time dealing with British Gas and due to other personal issues. I don't think I can reasonably hold British Gas responsible for her missing out on job opportunities. It seems that Ms C was going through a very difficult time but British Gas had agreed to pay for her laundry costs during this time. From what I've seen, I'm satisfied Ms C did use laundry services and was reimbursed her expenses. So, I'm not persuaded worries about not being able to wash her clothes was the main reason for Ms C not pursuing job opportunities.

My final decision

I don't uphold Ms C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 6 November 2023.

David Curtis-Johnson
Ombudsman