

The complaint

Mr B complains about the way British Gas Insurance Limited (BG) re-ran a gas pipe, following a claim under his home emergency policy.

What happened

Mr B held a policy with BG. In 2019, as part of a claim, BG had to re-route a gas pipe. Mr B said that he had been told by BG that this would be a temporary repair. The gas pipe was routed along the property façade. Mr B said he understood that BG would subsequently carry out a permanent repair, which would hide the pipe from sight.

After Covid 19 restrictions had been lifted, BG sent an engineer to assess the previously re-routed gas pipe. The engineer said that there was nothing wrong with the temporary gas pipe installation and that Mr B only wanted it moved for cosmetic reasons.

As a result, BG said that the works wouldn't be covered under his policy and to move the pipe would now be chargeable. Mr B said that BG had never previously mentioned that he would be charged for a permanent repair, so, he raised a complaint.

In its final response, BG maintained its position that for the gas pipe to be moved, Mr B would need to be charged for this to be done. It said the reason for the charge was because Mr B only wanted the pipe moved for cosmetic reasons and the pipe was working as it should do. So, as this work wasn't covered under the terms of his policy, BG declined to cover the cost.

Mr B was given his referral rights and referred a complaint to our service. One of our investigators considered the complaint and thought it should be upheld. She said that the original pipe had been run at a less obvious position and that it would be expected that an insurer carry out a like for like repair. This wasn't done. So, she recommended that BG re-route the pipe in the original position. And that Mr B should not be charged for this.

Mr B accepted the view, BG did not. It said that the current position of the pipe was the safest way to provide gas to Mr B's home. Also, if the pipe was run in the original position, it would need to be a specific pipe used, which was very expensive to buy and would be deemed an upgrade. As Mr B's policy didn't cover this, BG said it was unable to carry out the permanent re-route. So, 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.

I considered the complaint, and I thought the complaint should be upheld. I issued a provisional decision on 17 November 2023 and asked both parties to send me anything else by 15 December 2023. In my provisional decision I said:

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of the complaint.

Having done so, I intend to uphold this complaint, but the redress will slightly differ from that of our investigator. I understand that Mr B might be disappointed with the outcome, but I'll explain why I think this is fair.

I've considered both parties comments, and the evidence they've provided. I think the main issue of this complaint is what BG advised Mr B.

Essentially, BG said that the current position of the pipe was the safest most efficient way of running the gas pipe. It said that at no time was Mr B advised to dig a trench and at no time was he advised that the pipe repair was temporary.

Mr B said that he had been advised to dig a trench for the new gas pipe and that the pipe that was installed was a temporary solution. He maintains he was told a more permanent installation would be carried out after COVID restrictions had been lifted.

In circumstances where there is a dispute about what has happened, we generally consider what we think is most likely to have happened, based on the evidence provided and the wider circumstances.

Mr B said that during a conversation on the phone with the BG customer delivery manager, it was agreed that after Covid 19 restrictions had lifted, then an engineer would attend and re-route the gas pipe. He provided a customer checklist in which he said he was advised to dig a trench in preparation of it returning to re-route the gas pipe. That's because it said it wouldn't be responsible for the costs of digging a trench.

BG said that it was unable to find any evidence that it told Mr B that it would re-route the gas pipe. It considered, the evidence showed that running the pipe underground wasn't a viable option, so it would be unlikely that it would have initially agreed to this. And even if it was agreed to, then a further review would have taken place and found it couldn't be done, especially as it would be deemed an upgrade, which wasn't covered under Mr B's policy.

I'm aware that given the passage of time, it's unlikely that BG would have retained the phone calls from 2020. However, Mr B's recollection is that he was advised that the repair was temporary and that a trench would need to be constructed to accommodate the pipe for a permanent repair.

I can see that Mr B duly dug the trench and he describes that many established plants were uprooted as a result. I'm persuaded that it's more likely than not that Mr B was advised to construct the trench. I say this as there is correspondence from BG to our service that confirms that Mr B would need to dig a trench, presumably to accommodate the pipework:

'The CDM confirmed the gas route is to standard, safe and a permanent fix. Mr B wanted to discuss an alternative route and to ask if it could be buried in the ground. Our engineer gave best advice and confirmed we can order a pipe set that can be buried, but Mr B would have to dig his own trench and we do not survey or complete ground works...'

From this piece of evidence, it seems that BG gave its best advice at the time which was that it would order a pipe set and that this can be buried.

Further, although I accept that there is no direct instruction as to what the BG engineer would do on a subsequent visit, it does appear likely, that Mr B was told by BG that after restrictions were lifted an engineer would attend and as Mr B said, carry out a more permanent replacement of the gas pipe.

Also, it seems that BG didn't indicate that Mr B would be charged for permanent repairs. I have found the following entry in the complaint notes sent by BG:

'He was told to contact us after lockdown- as it was non-essential works. I have checked the notes from the previous complaint which state that the CDM (sic) did advise the customer to contact us after the pandemic, but no mention regarding charges.'

Also: 'Will leave job wait advice to give cust time to dig trench'. It doesn't seem likely that BG would have waited for Mr B to dig a trench if it had no reason or intention to return to re-run the gas pipe. It would seem that if BG had been satisfied that this wasn't a temporary repair and that the gas pipe was in the correct location, then it wouldn't have advised Mr B to dig a trench.

Generally, where possible, I think that an insurer must carry out a like-for-like repair. The original gas pipe that had been leaking (and was covered under the policy) was replaced. However, BG said that the gas pipe was installed in the most safe and efficient way for gas to be supplied to Mr B's home. I haven't seen any evidence from Mr B that is contrary to this, which at present, I take into consideration.

However, I think I'm persuaded that Mr B was told that BG would carry out a more permanent repair and he took actions that he wouldn't otherwise have done, on the basis of that information.

I think he has relied on the information to his detriment, in so far as he dug a trench and uprooted plants. But he hasn't incurred the costs of re-routing the pipe and as BG has said the pipe is safe, I don't think it's reasonable for me to tell it to re-route the pipe.

I say this as Mr B's actual detriment is the cost of filling in the trench, his lost plants and compensation for the time and inconvenience he was put to in digging it and for loss of expectation.

Consequently, I think it's fair and reasonable that BG compensate Mr B for digging and re-filling the trench (Mr B to provide an invoice), the loss of the plants that had to be uprooted (Mr B to provide an invoice), the loss of expectation and for the trouble and upset this caused.

I will of course consider any further evidence from either party they might wish for me to review.

So, to put matters right, I intend to direct BG as indicated below.

Responses to my provisional decision

BG said that it didn't have any further evidence to add and said it was minded to accept the provisional findings, as long as Mr B was able to submit evidence that a trench was dug. Provide any invoices for the trench being dug from a professional contractor and proof of any costs incurred as a result of the plants having been uprooted.

Mr B responded in full to the decision. He expressed that he was satisfied that the provisional decision was upheld, but he wasn't happy with the recommended outcome.

He reiterated that BG had agreed to carry out the re-run of the gas pipe. And that the gas pipe had been run incorrectly and in a position that was only placed there on a temporary basis.

Mr B provided a timeline of events, in which he outlined that BG withdrew its consent to re-run the gas pipe. He said that BG had never previously told him that the re-run would be chargeable.

Finally, Mr B suggested that if BG weren't recommended to re-run the gas pipe, then a compromise would be for BG to agree to the recommendations in the provisional decision. In addition to provide labour to re-run the gas pipe and re-dig the trench if Mr B were to pay for the materials. He also said that if this wasn't acceptable, then compensation for the detrimental impact on the value to his home should be considered, or the outcome from the original view.

I've carefully considered all the points raised by both parties. I've also re-reviewed the evidence, in light of the points raised by both parties.

Essentially, I think this complaint turns on what Mr B was told in 2019/2020 by BG, regarding the re-run of the gas pipe. So, I've concentrated this second provisional decision on this issue.

I should say at the outset that I still intend to uphold this complaint, but the outcome that I intend to recommend has changed.

I think it will be helpful to provide a brief timeline of events:

December 2019, Mr B reports an issue, and a gas leak is found. BG carry out what Mr B believes is a temporary repair, in that a gas pipe that had previously been in a position that was less obvious, was now run across the front of his house. Mr B said that this was due to BG not having a team available to run the pipe underground. Mr B said that he had been assured by BG that this was a temporary installation and so accepted it.

19 December 2019, Mr B raised a complaint, as he wanted a report from BG confirming what was verbally agreed between the engineers who attended and why it was necessary for BG to have run the gas pipe across the house. BG failed to provide the report and, in its response, didn't answer or confirm what Mr B had been told by its engineers.

30 April 2020, BG in its final response, said: 'Following our conversations on 30 April 2020, I acknowledged your concerns and apologised. However, I informed you that the £50 invoice is now cancelled and advised that you make contact as soon as the present pandemic situation has reduced to book appointment for your gas pipe repair.'

In addition to this, Mr B describes that he had a couple of phone calls in which the BG manager had agreed that once Covid restrictions were lifted, then non-urgent work (as this was classed) could then be carried out and Mr B should contact BG for it to return to re-run the gas pipe.

In 2021, Mr B then contacts BG to get a return date for the pipe to be re-run. What then follows is what Mr B describes as constant chasing, over the course of a few months.

17 December 2021, BG attend to view the work and not to start the re-run. The engineer advises Mr B to dig a trench and uproot established plants, in preparation for the gas pipe installation. Mr B said at no time was he told that the re-run would be chargeable.

17 February 2022 Mr B completes digging the trench and notifies BG. But receives no response.

23 February 2022, Mr B notifies BG again about the trench but again receives no response.

7 March 2022, Mr B notifies BG for a third time and includes in the email, previous staff who had been involved with his complaint.

8 March 2022, BG contact Mr B and advise for the first time that the work would be chargeable. It also confirms that there was no return appointment made, for the gas pipe to be re-run, as Mr B hadn't signed off the quote (for the work to be done) that it had provided to him.

15 March 2022, BG advise Mr B that there was no commitment for it to return to complete the gas pipe re-run.

Essentially, BG said that the current position of the pipe was the safest most efficient way of running the gas pipe. It said that at no time was Mr B advised to dig a trench and at no time was he advised that the pipe repair was temporary. Further, it had been waiting for Mr B to agree to the quotation that it had provided for the work to be carried out.

In my first provisional decision, I found that on balance, BG had advised Mr B to dig a trench, which he duly did and completed in February 2022. I found that it was more likely than not that the trench was required for the re-run of the gas pipe, otherwise, why would Mr B have dug the trench and uprooted established plants. So, I'm satisfied that he dug the trench on instruction by the BG engineer.

BG mentioned that it provided Mr B with a quote for the cost of the work to be carried out. Mr B said that he has never received such a quote. Having re-reviewed the evidence, I can't see that a quote was provided to Mr B, that advised him of the cost of carrying out the work.

I also note that in 2019-2020, there was no mention from BG that the re-run of the pipe would be chargeable. Mention of any charges only appears to have materialised in March 2022. BG has provided no explanation for this as presumably if a charge and quote had been provided, proof of the quote, should be information that BG would have supplied by now. Further, if the work wasn't something that BG would ordinarily undertake, then I would've expected in 2019/2020, that Mr B would have been told this. But I can't see that he was.

BG said that the reason why it wouldn't re-route the gas pipe, is because the current installation is the safest and most efficient way to get gas into Mr B's home. I note that in 2019/2020, this was not a reason given, it appears that no teams were available due to covid restrictions, and that non-urgent work wasn't prioritised.

BG hasn't provided me with any evidence as to why the reason appears to have changed. That is, in 2019/2020 the reason was due to covid restrictions, but by 2022 this changed to safety aspects, and that a charge for the service would now be required.

However, in the final response dated 30 April 2020, it states:

'Following our conversations on 30 April 2020, I acknowledged your concerns and apologised. However, I informed you that the £50 invoice is now cancelled and advised that you make contact as soon as the present pandemic situation has reduced to book appointment for your gas pipe repair.'

I asked BG what it meant by this paragraph. It said that the comments meant, that it was to arrange a visit to assess the situation further. This was because Mr B was unhappy that it had determined the gas pipe work was safe. If he wanted us to reassess, we would need to do this after the covid restrictions lifted.

I've carefully considered what BG said. And I think the main sentence is: 'advised that you make contact as soon as the present pandemic situation has reduced to book appointment for your gas pipe repair.' I think that had BG made it clear that the appointment after the restrictions had lifted would be to reassess, then I would've expected that to be highlighted. Instead, I think it was inviting Mr B to book an appointment to complete the gas repair, as this is what is stated here.

In addition, as I previously mentioned, BG advised Mr B to dig a trench, which he did. I think it doesn't seem likely that BG would have waited for Mr B to dig a trench if it had no reason or intention to return to re-run the gas pipe. It would seem that if BG had been satisfied that this wasn't a temporary repair and that the gas pipe was in the correct location, then it wouldn't have advised Mr B to dig a trench.

Consequently, I think having re-reviewed all of the evidence and considered the further points raised by both parties, BG did advise Mr B to dig the trench. And currently, I'm persuaded that it originally told Mr B that it would re-run the gas pipe after the restrictions had lifted. I think at a later stage it raised safety as one of the reasons why the pipe couldn't be re-routed, but I don't think this was the initial reason.

Accordingly, I intend to direct BG to put matters right, as indicated below. I don't think that BG ought to reimburse Mr B's costs of digging the trench, as he said he carried out this work himself.

Responses to my second provisional decision.

Mr B accepted my provisional decision, with the outcome.

BG said that it was unable to provide any further evidence to counter what was said in the provisional decision. And it was unable to agree with the new proposed resolution. But it also said that there was nothing further that it wished to add.

Putting things right

As neither party had objected to the second provisional decision recommendation, I recommend that the outcome as outlined in the second provisional decision, will be the same in the final decision.

My final decision

For the reasons given, I uphold this complaint.

To put matters right, British Gas Insurance Limited to:

Re-route the gas pipe and dig a trench for its installation, at no further cost to Mr B.

Reimburse Mr B's full costs for all the plants that he had to uproot in order to dig the original trench. On production of an invoice from Mr B.

Pay Mr B £600 compensation for the loss of expectation and the trouble and upset caused.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 January 2024.

Ayisha Savage
Ombudsman