

## **The complaint**

Mr L complains about the settlement offered to him by British Gas Insurance Limited after he made a claim under his Kitchen Appliance insurance policy. He's also unhappy with British Gas's handling of his claim.

## **What happened**

Mr L holds Kitchen Appliance cover with British Gas. His dishwasher stopped working in 2021. British Gas asked him to arrange for his own engineer to carry out an inspection, and Mr L did so.

In May 2022, Mr L sent British Gas his engineer's report. This confirmed the dishwasher was beyond economic repair (BER). Mr L asked British Gas to refund him for the cost of the engineer's visit, as well as arrange for him to have a replacement dishwasher.

British Gas reimbursed Mr L for the cost of the engineer's visit the following day. However, it didn't deal with the claim for a replacement dishwasher until Mr L contacted it about this again in October 2022. British Gas then arranged for its own engineer to try and arrange a repair, but it was found the appliance was BER. British Gas offered Mr L a 50% contribution towards a replacement dishwasher, and this was based on a model costing £1,063.22.

Mr L brought a complaint to our service as he was unhappy with British Gas's settlement offer, as well as its handling of the claim.

Our investigator partly upheld the complaint. Whilst he thought British Gas's settlement offer had been fair, he recommended that it pay Mr L £200 compensation for the delays it had caused.

British Gas accepted our investigator's recommendations, but Mr L did not. The matter has therefore been passed 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.

### The claim

The policy says that British Gas will make a contribution towards a replacement appliance if it can't repair, or it decides it will cost less to replace than to repair.

The policy then says:

*'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

...

*You may use our contribution towards an alternative model of your choice from our approved supplier. There is no cash alternative.'*

The policy later says the following about a replacement:

*'we'll provide a contribution towards a replacement appliance with similar functionality from our approved supplier.'*

The dishwasher was over three years old and BER, so under the policy terms, British Gas only needed to pay 30% towards a replacement.

British Gas thought a suitable replacement available through its supplier was a model that cost £1,063.22. Mr L didn't agree and said this model was freestanding, whereas his had been integrated. He also thought the model found by British Gas wasn't as good as his own had been, in terms of functionality.

Mr L hasn't provided any evidence to support that the model found by British Gas had less functionality than his existing dishwasher. Also, given that his dishwasher was over 15 years old, I agree with our investigator that the model suggested by British Gas likely had more functions than Mr L's.

I think Mr L makes a reasonable point about the model found by British Gas being freestanding rather than integrated. As I understand it, British Gas initially thought Mr L's dishwasher was freestanding, based on the information he provided about it when he made his claim. That is why it suggested a freestanding replacement.

As our investigator has said, integrated models with the same manufacturer start from £859. Once British Gas became aware that Mr L's dishwasher was integrated, it could have opted for an integrated replacement model costing less than £1,063.22, as this likely would have still provided similar functionality to Mr L's own dishwasher. So it seems to me Mr L is better off as a result of British Gas basing its contribution on the freestanding model, and so I don't require it to change this.

British Gas made it clear to Mr L that he didn't need to accept that particular dishwasher as a replacement, and could have taken its contribution as a voucher so that he could purchase another dishwasher of his choosing with its supplier. I think that was reasonable and in line with the policy terms. Though it seems British Gas may have since made the payment to Mr L as a cash settlement. That was up to British Gas, though it wasn't required to do this under the policy.

In terms of the contribution amount, British Gas was required to pay 30% of the replacement, which would have been £318.97. Instead, because it recognised there had been service failings, British Gas increased this to 50% (£531.61). So Mr L received £212.64 more than he should have done, according to the policy terms. I've taken this into account when considering British Gas's handling of the claim below.

Finally, Mr L says he wants British Gas to pay for the removal of his dishwasher and the installation of the new one. However, these costs aren't covered under his policy, so I don't require British Gas to pay for them.

#### Handling of the claim

The engineer's report is dated 13 October 2021. Mr L says he had problems getting through to British Gas after this. He sent British Gas a copy of the report on 30 May 2022. Mr L made

it clear to British Gas in his accompanying email that he wanted a replacement dishwasher, and so I find that it ought to have dealt with his claim at that time.

However, nothing happened until Mr L chased British Gas in October 2022. British Gas then arranged for its own engineer to carry out an inspection. It's not clear to me why British Gas needed to do so, since Mr L's engineer had already confirmed the appliance was BER. It appears that British Gas's engineer went to the property on a few occasions to try and carry out a repair, but ultimately concluded that the dishwasher was BER. I think this caused Mr L unnecessary inconvenience, given both parties were already aware the appliance was BER.

Mr L has explained that he had an injured arm at the time, and so I understand he wasn't able to wash dishes himself. He says he relied on friends and relatives, and also paid his carers extra to do the washing up. I haven't been provided with any evidence that Mr L paid someone to wash dishes for him. Nonetheless, I accept that he was caused unnecessary inconvenience by the delays caused by British Gas since May 2022, which meant that he was without a dishwasher for some time.

Our investigator thought £200 additional compensation would be reasonable to reflect the impact caused to Mr L by the matter. Taking into account that Mr L had already been offered an additional £212.64 under British Gas's settlement of the claim (which I understand has now been paid), I'm satisfied that a further £200 compensation would be appropriate here.

Although Mr L wants British Gas to refund him the premiums he paid whilst he was without a dishwasher, I don't require it to do so. Mr L has had a claim accepted under his policy, and therefore he's had the benefit of it. I'm satisfied the additional compensation I'm awarding recognises the impact caused to him by British Gas's handling of his claim.

### **My final decision**

My final decision is that British Gas Insurance Limited should pay Mr L an additional £200 compensation.\*

\*British Gas must pay the compensation within 28 days of the date on which we tell it Mr L accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 27 August 2024.

Chantelle Hurn-Ryan  
**Ombudsman**