

The complaint

Mr R complains about British Gas Insurance Limited (“British Gas”) for its decision to decline cover. He wants British Gas to reimburse him the costs he incurred from a third-party repair to drainage.

What happened

Mr R owns a property which he lets out to tenants. His property is a first floor flat, which is above a commercial unit below. He held a Homecare agreement with British Gas to insure the plumbing and heating services at the property on the first floor.

The upper flat is served by separate drainage, except that the soil vent pipe passes through the inside of the lower property before going into the ground. There is no manhole cover inside the lower property, so the pipe passes through the property as a sealed unit.

In November 2023, the tenant at Mr R’s property reported a blockage and that wastewater was backing up. Mr R called out British Gas.

British Gas sent an engineer on 2 November 2023, and they investigated the external soil stack with a camera. The engineers identified a blockage beneath the first-floor level. At that time there was no access to the ground floor unit.

The engineers returned the next day and investigated the ground floor premises. There was no access to the soil vent pipe inside the ground floor unit and so they were unable to clear the blockage. The sealed pipe was not causing any issue for the ground floor unit. The engineers attempted to clear the blockage with a high-powered jet from above but stopped when the equipment needed to enter the boundaries of the lower property.

British Gas attended again on 4 November 2023, as the tenant reported that the sink was not draining. The engineers cleared debris from the wash basin and restored flow from there.

Further issues arose, but British Gas advised Mr R that it was not able to offer any more assistance for this blockage as the blockage was located beyond the boundary of the insured property. British Gas considered that it was therefore not covered by the policy.

Mr R had to instruct a third-party engineer to clear the blockage. The third-party had to cut out a section of the pipe and then reinstate the waste pipes, including refilling where the pipes had been dug out. Mr R incurred around £2500 of costs.

Mr R complained to British Gas. He felt that British Gas ought to have carried out the work under his policy and that British Gas should reimburse him for the expense he incurred.

British Gas did not uphold his complaint. It argued that the policy cover only covers repairs within the boundaries of his property, and the blockage was within the boundary of another property.

Mr R was not happy with this and contacted us.

Our investigator looked into this matter and did not uphold Mr R's complaint. They considered that British Gas had applied the policy terms reasonably and the decision to decline further cover was fair.

Mr R did not accept that view and asked for an ombudsman 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.

Mr R has argued that his property, extends to the boundary as shown on a land registry plan, and so he argues that any work needed within that outer limits of the boundary should be covered.

I understand his view, but I agree with my colleague that in the particular circumstances of this matter, British Gas acted reasonably in declining cover.

The policy terms are clear that the cover only extends to the land up to the boundary of the individual property, and that drains which are shared are outside of cover.

In this case, it is unfortunate that part of the drainage for Mr R's property passes through the inside of another property, and the blockage occurred within the other property.

British Gas clearly made efforts to clear the blockage from within Mr R's property, and using the jet, and by inspecting for a manhole access point within the ground floor unit.

When it was not possible to clear the blockage without more invasive work, British Gas had to apply to policy terms and considered that the work needed next would need to take place outside of Mr R's property.

We have not seen evidence of the legal arrangement of ownership of any shared parts of the building, or for the particular section of pipe, and so have approached this with an understanding that the boundaries of the property ownership are usually consistent with the parts of the building which each property has access to and control over, or which it could exclude others from.

In this case the relevant section of pipe was in a place which the ground floor unit could exclude others from, so it is reasonable to conclude it was part of their property instead of the property which the drainage served.

I understand Mr R's upset at this situation, and I can see why it feels unfair to him, but in my view the problem here is the unusual layout of the drainage, rather than the way British Gas has acted in applying the policy.

Policies of this type would not usually cover repairs or work on a property beyond the insured property, for a range of reasons, and where unusual layouts of properties exist consumers may encounter gaps in cover which neither the consumer nor the business would have been able to anticipate.

In my view this is one such circumstance, but that does not make British Gas's decision unfair. In the absence of evidence showing that the work needed was wholly within Mr R's sole property, I think British Gas made a reasonable decision in these circumstances.

I appreciate that this will be disappointing for Mr R, but for these reasons I agree with my

colleague, and I do not uphold Mr R's complaint.

My final decision

For the reasons given above, I do not uphold Mr R's complaint and do not ask British Gas Insurance Limited to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 15 October 2024.

Laura Garvin-Smith
Ombudsman