

The complaint

Mr A is unhappy with the overall service British Gas Insurance Limited (British Gas) provided in relation to a claim made on his Homecare agreement.

Mr A is being represented by his son, Mr B, on this complaint. I realise Mr B has handled this claim and has been the main correspondent but as the agreement is in Mr A's name, I shall refer to Mr A mainly in this decision.

What happened

Mr A has a Homecare agreement with British Gas, and which provides cover for his boiler, controls and central heating. The agreement includes an annual service, repairs to plumbing, drains and home electrics. British Gas is the underwriter.

In July 2022, Mr A had reported an issue in the bathroom with the toilet constantly flowing and the pump running continuously. An engineer attended and repaired the damage to the pump by replacing the cartridge which also reduced the vibration noise. In August 2022, the engineer returned to place support around the pump and other pipework to reduce the noise. He said the pipes under the wood were loose and making a noise and the ground floor toilet didn't flush well so the syphon needed to be replaced.

In October 2022, Mr A reported rainwater dripping from his roof, but the appointment booked for an engineer to inspect the issue was cancelled.

In March 2023, Mr A reported an uncontrollable water leak and an engineer visited on 13 March. He said the internal main water stopcock needed replacing. On 14 March 2023, Mr A contacted British Gas and reported that one of the bedrooms had flooded and damage was caused also to the room below. Mr A said the lights weren't working and paint had started to peel off. A plumber was sent on 20 March 2023 to repair the stopcock and he then repaired the push fit which Mr A was charged for an upgrade for as the plumber was doing a basic repair.

At the end of April 2023 and beginning of May 2023, further repairs were carried out – a power flush, removing a blockage from the pipe work and installing a new magnet filter. Details of the damage were sent for investigation and British Gas said it wouldn't accept responsibility for the claim due it being pre-existing.

Unhappy with this, Mr A made a complaint. British Gas sent a loss adjuster, and a settlement was reached for it to pay Mr A £30,175.95 in September 2023. British Gas also offered Mr A £140 compensation for the failings in its service and then subsequently increased its offer of compensation to £300, then £500 and again to £1,000. It said it reviewed what had happened and recognised there were multiple service failings, the frustration and inconvenience caused, the disruption to his daily life and the workmanship.

Mr A disagreed and brought his complaint to this service. Our investigator upheld the complaint. He thought £1,350 would be a fair and reasonable amount of compensation in recognition of all the issues Mr A had in dealing with British Gas. The investigator also said

financial loss was caused to Mr A due to the time taken in dealing with the issues on the claim and for having to take time off work for these. So, he asked British Gas to reimburse Mr A for these losses subject to the evidence provided.

British Gas didn't accept the investigator's findings and asked for the complaint to be referred to an ombudsman.

In the meantime, as the policy was only in Mr A's name and not joint with his son (Mr B), the investigator said it was incorrect to recommend British Gas to pay any financial loss to Mr B as he wasn't joined onto the policy. Any compensation payment would only apply to the impact caused on the policyholder and not to any third parties.

British Gas accepted the recommendation to pay Mr A £1,350 but Mr B asked for the complaint to be referred to an ombudsman. He said the impact had been on him as he acted for Mr A and had significant distress and inconvenience caused to him, including loss of earnings for having to take time off work.

The complaint has therefore been passed to me 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.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So, I've considered, amongst other things, the terms of this policy and the circumstances of Mr A's claim, to decide whether British Gas treated him fairly.

At the outset I acknowledge that I've summarised this complaint in far less detail than Mr A or Mr B have, and in my own words. I won't respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern our service allow me to do this as we are an informal dispute resolution service. I'm satisfied I don't need to comment on every individual point to be able to fulfil my statutory function.

I understand that the claim itself has been settled by British Gas and Mr A has accepted this. However, there is a dispute about the level of compensation recommended on Mr A's complaint. So, I have to decide whether £1,350 is a fair and reasonable amount for the distress and inconvenience caused to Mr A in the circumstances of this complaint.

I also note that the policy is in Mr A's name only. Whilst Mr B, his son, is representing him and dealt with the claim handling on his behalf, we can only consider the impact caused to Mr A by British Gas.

When deciding whether an award is appropriate for the distress and inconvenience caused, we are required to think about all the various factors that have impacted because of an error that's been made. So, we must think about the impact of that error and not just the error itself.

I've therefore carefully thought about what's happened here and the impact that AXA's error has made on Mr M.

Making an insurance claim inevitably involves an element of inconvenience for the policyholder. However, having looked at everything, British Gas has clearly not handled this

claim as well as it should have. It has apologised for this though and it has accepted our investigator's recommendation to pay Mr A £1,350 compensation.

I've considered what happened and the impact that's been caused on Mr A. The substantial claim started in June 2023 when Mr A reported a water leak. It transpired that the previous repairs carried out in 2022 weren't adequate and incorrect materials were used. The leak as a result caused significant damage to Mr A's home.

Whilst I appreciate that eventually a cash settlement was reached to get Mr A's home repaired, there has been a lot of disruption, inconvenience and distress caused during all this time. Multiple calls were made, calls weren't returned, and it took a lot of effort on Mr A's part to ensure the repairs were carried out as they should have been. Different engineers attended the property to investigate the issues and it took three to four visits for parts to be replaced. The claim itself also wasn't accepted by British Gas initially as it said the damage was pre-existing. Mr A had to make a complaint.

Additionally, Mr A is elderly, and his son has had to deal with this claim on his behalf as he lives with Mr A. I can see the entire situation has been distressing and caused a major disruption to the daily living situation. I think British Gas had several opportunities to take responsibility, but its call handlers and engineers failed to put things right at these points in the claim handling stages.

I've considered that British Gas has now accepted this responsibility and has agreed to pay Mr A £1,350.

In summary, I'm satisfied that British Gas provided inadequate customer service, with poor communication and unnecessary and avoidable delay. As mentioned above, the matter at hand is what would be an appropriate level of compensation.

In response to the investigator's findings, Mr A talked about his recommendation of £1,350 being an insufficient amount. However, it is not our role to punish the business. Awards of compensation are primarily to reflect the impact on the consumer who is Mr A, in this case.

I have a great deal of sympathy for the situation Mr A found himself in. And I can understand why he believes he should receive a more significant amount for the trouble and upset he has incurred. However, as an alternative dispute resolution service, our awards aren't as high as he might expect and probably less than a court might award.

Having thought very carefully about what Mr A has said, I consider that £1,350 is fair and reasonable compensation for the distress and inconvenience caused. The impact caused to Mr A has been substantial. The distress and worry could have been avoided had British Gas taken responsibility for what happened at a much earlier stage of the claim handling process.

Putting things right

I require British Gas to put things right by:

- Paying Mr A £1,350 in total for the distress and inconvenience caused by its poor service and communication.

It must do this within 28 days of the date on which we tell it Mr A accepts my final decision. If it takes longer, British Gas must give Mr A a meaningful update setting out the timeframe when it will settle the claim.

My final decision

For the reasons given above, I uphold Mr A's complaint about British Gas Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 29 October 2024.

Nimisha Radia
Ombudsman