

The complaint

Mr C complains about how British Gas Insurance Limited (“BG”) handled a claim for a leaking immersion tank under his boiler repair insurance policy. When I mention BG I also mean its contractors and assessors.

What happened

Mr C had an insurance policy with BG covering a heating appliance in an apartment he lets out.

In November 2023 he contacted BG to make a claim after he’d been told that an immersion heater tank was leaking.

BG attended and found a small crack in the bottom of the immersion tank causing a small water leak. BG said more investigation would be needed to determine if there was a valid claim.

Mr C tried to organise BG to re-attend but couldn’t get an appointment. BG said it was trying to call him to make arrangements but Mr C denied this.

A few days later, the leak had become bigger. Mr C organised his own plumber who attended and turned off the water supply.

BG then re-attended and confirmed the immersion tank was broken and could not be repaired. It agreed this would be replaced under the policy, but there was a delay in supplying the replacement and it was eventually fitted in early January 2024.

Mr C wasn’t happy about the service he’d had and he complained. BG offered him £150 compensation.

As Mr C remained unhappy, he brought his complaint to this service. He asks that BG pay him loss of rent on the property and the cost of repair of the damage caused by the leak.

Our investigator looked into it and thought it wouldn’t be upheld. He said BG’s policy didn’t cover loss of rent and the damage had already been caused before BG arrived to examine the tank.

Mr C didn’t agree with the view. He supplied evidence from an associate about BG’s initial visit, and an invoice he’d paid to stop the leak.

Because he didn’t agree, his complaint has been passed to me to make a decision.

I issued a provisional decision intending to uphold part of Mr C’s complaint:

I’ve looked at a timeline of events supplied by Mr C and I’d thank him for his efforts in producing this.

I’m not going to explore the events of Mr C’s claim in detail. Instead I’m going to focus on

what I think are the key areas of Mr C's complaint. This is in line with this service's informal approach. But I'd assure Mr C that I have read all of the file of evidence I've been supplied, even if I don't refer to it here.

I can see from the file that BG has accepted mistakes were made during the claim period.

I've thought carefully about the situation Mr C was in. He called out BG for assistance under the terms of his policy. An associate of his was able to give access to the apartment and show the problem to BG, which was a small pool of water at the bottom of the tank and on the floor outside the cupboard it was contained in. What this would seem to mean is that the leak was already happening and water was present under and around the tank, affecting and likely damaging the property.

BG has said it offered to turn off the appliance, but Mr C's representative wasn't able to confirm whether this was acceptable. Mr C has sent this service a letter from his acquaintance denying this happened. The letter talks about BG's engineer denying the tank was covered at all and refusing to work on it. It says the BG engineer left very quickly and the entire appointment took about five minutes.

Because the tank wasn't drained, I think it's fair I say that water would have continued to leak out of it and further damage was also likely to have been the result. I've said above that Mr C had to call out a plumber a few days later as his tenant has noticed a lot more water escaping from the tank.

Mr C asks that BG pays for the damage that happened, but as I say above I think it's fair that damage was already happening due to the existing leak. BG says it offered to turn off the water, but Mr C's associate acting on his behalf didn't accept. I've said above that Mr C's associate denies this happened and they were told the appliance wasn't covered, which turned out to be incorrect. Their denial is emphatic.

It seems to me that if BG's engineer had acted correctly on the day they were called out, and realised the tank was covered, then they would have likely arranged to stop the leak in some way, perhaps by draining the tank. But because of this error, the tank then continued to fail over the next few days leading to Mr C having to call his own plumber for help.

In his approach to this service, Mr C mentioned that he'd called out someone to turn the appliance off and drain it, but didn't ask for this to be specifically considered under his complaint. After the view, he sent this service an invoice for an emergency plumber for £414. I'll deal with this below.

I've thought about the damage to the property. I've said above that water had already begun to collect under the tank before BG was called out. Mr C had said this became worse, but I think it's fair I say that the damage was already likely underway. So, I can't fairly say BG needs to pay for the damage caused by the leak.

It's important I say I've thought about this on the balance of probabilities, but I can also see BG's policy wording excludes:

"We're not responsible for any loss of or damage to, or cleaning of property, furniture or fixtures as a result of your boiler, appliance or system breaking or failing unless we caused it, for example damage caused by water leaks."

I can see Mr C refers to an email from BG in which he says BG accepts partial liability for the damage. I've read the email, and I'm afraid I don't agree. Mr C has inferred a meaning from BG's words that it wouldn't cover the full damage to mean he thinks it will pay for some of

the damage.

The same section of policy wording also excludes:

“We’re not responsible for any reduction in value or damage which results indirectly from anything insured by your agreement, such as loss of earnings...”

We’re also not responsible for any losses incurred as a result of delayed, rearranged, or cancelled appointments...”

If Mr C has a landlords policy, or another arrangement through the building’s insurance then he may find a resolution to repair the damage and loss of rent he’s suffered under those type of policies.

I agree with Mr C that BG’s service could have been better. He had to chase it up for updates and for the next appointment. I’ve considered the amount of compensation offered by BG for Mr C’s distress and inconvenience, which is £150. I know Mr C will be disappointed by this, but I think its offer is fair and in line with this service’s guidelines.

I’ve said above that Mr C provided an invoice he’d paid for an emergency plumber to stop the leak by draining the tank and turning off the water. Although I can’t see that BG has considered this as part of his claim and subsequent complaint, I propose to settle Mr C’s complaint by asking BG to pay for his costs in having the leak stopped.

I can see from the file this is £414, and I think BG need to pay this amount plus interest at 8% simple from the date it was paid, to the date BG make payment. I think this is fair because as I say above, BG’s original engineer should have realised the tank was covered and dealt with the situation when they originally attended.

Mr C has shown that a competitor of BG’s was apparently able to supply a replacement tank within about one week, but it took BG about a month once it was ordered, and I agree with Mr C that BG’s service was disappointing for him. BG has said the delay was caused by the manufacturer, so I can’t fairly say BG is responsible for it.

Responses to my provisional decision

Mr C didn’t respond. BG responded and accepted my provisional 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.

As both parties either accepted my provisional decision or didn’t respond by the deadline I’d set, my final decision and reasoning remains the same as my provisional decision.

My final decision

It’s my final decision that I uphold this complaint in part. I require British Gas Insurance Limited to pay Mr C £414 in respect of the costs he incurred in arranging his own plumber to stop the leak. Interest at 8% simple should be added to this amount from the date Mr C paid the invoice to the date this payment is made. But I make no further award.

British Gas Insurance Limited must pay the amount within 28 days of the date on which we tell it Mr C 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 C to accept or reject my decision before 3 February 2025.

Richard Sowden
Ombudsman