

The complaint

Mr O complains British Gas Insurance Limited (“British Gas”) delayed repairs to his hot water cylinder under his home emergency insurance policy. He says this caused him a great deal of trouble and upset, he missed work and had to pay for alternative accommodation while the problem was ongoing. Mr O says British Gas handled his complaint about this poorly and hasn’t done enough to put things right. Mr O has indicated the delay in resolving the home emergency impacted his and his family’s health but he’s asked our Service not to consider that as part of this complaint. So I haven’t.

All references to British Gas include its agents.

What happened

Mr O took out a home emergency insurance policy around March 2024. On 26 February 2025, Mr O reported a fault to British Gas. He’s explained there was a bad smell coming from the cupboard where the hot water cylinder was. British Gas arranged for an engineer’s visit the next day. The engineer suspected there was black mould under the carpet so he advised Mr O to treat the mould to see if that was the cause of the smell.

Unfortunately the mould removal didn’t resolve the issue, so Mr O reported this to British Gas. And a second engineer visited his property around a week later on 5 March 2025. During this visit, Mr O says the engineer thought the problem was with the pipework so rerouted it to run outside the property. As this also didn’t resolve the issue, British Gas arranged a further engineer visit on 11 March 2025. Mr O says that engineer said the cylinder needed replacing. British Gas doesn’t agree the engineer said this during the visit. Instead it says it was agreed Mr O would monitor the situation for two weeks to see if it improved. It hasn’t given us any engineer notes for that visit.

Around three days later, a further engineer visited Mr O’s house. Both parties accept this engineer wasn’t qualified to carry out any meaningful work and so wasn’t able to carry out any repairs. On 17 March 2025, a further engineer was assigned to Mr O’s property. He confirmed the cylinder needed replacing. Mr O says he was under the impression the engineer would be carrying out the cylinder replacement that day so he raised a complaint. The cylinder was ordered the following day and delivered to Mr O on 21 March 2025. A qualified engineer attended Mr O’s property on 31 March 2025 to fit the new cylinder.

Mr O was very unhappy with how long it took British Gas to resolve the problem. He explained due to the delay he initially paid for alternative accommodation and fans to circulate the air. And when he returned home, he found he had to turn off his heating and hot water as it was the only way to stop the smell getting worse.

British Gas offered Mr O £360 to make up for what had gone wrong. It thought it had acted quickly and appropriately but it accepted the visit on 14 March 2025 was unproductive and there was a delay between the cylinder delivery and fitting. Mr O didn’t think this was enough so he asked our Service to look into things. Our Investigator didn’t uphold Mr O’s complaint. As the complaint wasn’t resolved at that stage, it was passed to me to decide.

I issued a provisional decision on this complaint in October 2025. I've included a copy of what I said below:

"Based on what I've seen so far, I intend to uphold this case as I don't think British Gas's offer goes far enough. I'll explain why.

Delays and customer service

Mr O made the claim on his policy at the end of February 2025. And it was just over a month from that point until when his claim was settled. When consumers have a reason to claim on home emergency policies, it's reasonable to expect they would experience some trouble and upset and I don't think British Gas is responsible for that.

Mr O's said during the visit on 11 March 2025, the engineer identified the cylinder needed replacing. Mr O has given a lot of detail about the visit, including that the engineer was the same engineer who had visited previously and he agreed the smell hadn't improved. And he's been very consistent in his account of this throughout the complaint. I also note, British Gas has told us that it's a known issue that cylinders can produce a rotten egg smell when a certain gas is produced and this is the smell that was described by Mr O.

British Gas on the other hand has said the engineer suggested Mr O monitor the situation for two weeks to see if the smell improved rather than discussing a cylinder replacement. It hasn't provided a record of the visit to support what it's said. And I can see Mr O called British Gas to come back within only a few days and not two weeks as it says they agreed.

Overall, based on what I've seen so far, I'm more persuaded by Mr O's account of what happened during the visit on 11 March 2025. So I think it's likely British Gas knew by this date that the cylinder needed replacing.

Both parties accept the engineer who visited on 14 March 2025 was unqualified to do anything meaningful. And on the next visit on 17 March 2025, it seems the engineer wasn't properly briefed and the cylinder hadn't been ordered for him to carry out the replacement. So it was ordered a few days later instead.

By the time the cylinder was delivered, British Gas has said there wasn't another qualified engineer who could carry out the work for 10 days. Mr O has explained he and his family lived without heating and hot water for some of this time to prevent the smell getting worse and they had to store the new cylinder in their living room which took over the space.

Had the cylinder been ordered when it was first identified it was needed on 11 March 2025, as it only took three days to be delivered, I think it's likely it could've been fitted much sooner than it was – and possibly on 17 March 2025 as I understand the engineer who visited that day was qualified to do the work. So, at the moment I think British Gas caused a much longer delay than was needed by not acting proactively and quickly which caused Mr O more distress and inconvenience. I can also see Mr O says he missed work to attend the appointments. So it must've been particularly disappointing and frustrating when neither engineer in these last two appointments was able to carry out any work.

British Gas says it dispatches engineers as soon as possible even if they're not qualified to carry out the necessary works. But I don't think that was helpful in this case and I think it would've caused Mr O further inconvenience and frustration. I've thought about all of this when considering how to put things right.

Alternative accommodation and other expenses

Mr O moved into alternative accommodation on 21 March 2025 when he realised the new cylinder wouldn't be fitted immediately and he asked British Gas to cover the cost of it. British Gas has highlighted he wasn't entitled to alternative accommodation under the terms of the policy so it declined this. But I don't currently think that's fair. I say this because Mr O didn't request alternative accommodation as a direct result of the claim – if that was the case, I think he would've arranged it much sooner. Instead I'm currently persuaded he arranged it because he was being left to live in a home with a strong, bad smell for an extended period due to how British Gas was handling things. And the only alternative was to live without heating or hot water, which I don't think is reasonable.

Had British Gas acted quicker, Mr O wouldn't have been in his property with the ongoing smell for so long. And I note British Gas indicated to Mr O it would consider covering the cost of him staying elsewhere so I think it was willing to consider this outside of the policy terms. So, I plan to direct British Gas to cover the cost of the alternative accommodation he arranged from 21 March 2025 to 23 March 2025.

As British Gas didn't cover the cost of the alternative accommodation at the time, I understand Mr O returned home but spent the next week without heating and hot water to stop the smell getting worse. I currently think that would've been uncomfortable and caused him significant inconvenience. I understand he bought electric heaters to stay warm and had to boil water to bathe. And at the moment, I don't think that would've been necessary if British Gas had been more proactive in resolving things after it identified the cylinder needed replacing. I've taken this into account when considering how to put things right.

Complaint handling

Mr O's unhappy with how British Gas handled his complaint about this matter. I consider this complaint is connected to the underlying financial service British Gas provided him of carrying out a contract of insurance. So I'm currently satisfied I can consider it here.

Mr O made a complaint about the service he'd received. He's sent us details of and emails between him and the complaint handler and the manager the complaint was escalated to. In these emails, I can see he was asked for information he'd already provided a number of times, and British Gas kept focussing on whether it had caused the damage rather than really getting to the crux of the complaint. British Gas offered Mr O differing amounts of compensation and didn't appear to be aware of the discussions that had already taken place. And it told him it would consider his additional expenses if he provided evidence but later withdrew that offer.

Having looked carefully at how British Gas handled things here, I don't currently think Mr O would've felt listened to. Instead, I think he would've been caused frustration by the conversations that were taking place particularly as it seems he had to keep repeating himself. So I currently think British Gas needs to make up for the additional distress it would've caused Mr O in how it handled his complaint.

I understand Mr O's also unhappy British Gas didn't issue a Final Response letter in response to his complaint. But I can see he understood he could refer his complaint to our Service and he did so. So at the moment, I don't think he was significantly impacted by this."

I asked both parties to make any further comments in response to my provisional decision, before I reach my Final Decision. Mr O thanked me for upholding his complaint. He explained he'd asked our Service not to consider his complaint about the impact of what had happened on his family's health due to us not being able to consider all aspects of it in full.

British Gas didn't accept my provisional decision and it made a number of points in response. It said in summary:

- It acted reasonably, diligently and in line with the policy terms.
- During the 11 March 2025 visit, its engineer recommended the system was monitored for two weeks as part of the fault-finding process. It provided the job notes from all of the visits to support this. It highlighted this was agreed with Mr O.
- The cylinder was delivered and the installation booked as quickly as possible after the decision to replace the cylinder was made on 17 March 2025.
- Whilst the visit on 14 March 2025 was attended by an unqualified engineer, it wasn't due to negligence, it was still part of the fault diagnosis and ensured timely attendance.
- It responded proportionately and within acceptable timeframes.
- The terms of the policy don't cover the other financial losses Mr O experienced.
- It didn't cause the fault and Mr O decided to stay in alternative accommodation.
- Although it said it would consider reimbursing Mr O's costs, it didn't commit to pay.
- The offer it's made of £360 fairly makes up for inconvenience caused to Mr O.
- Due to the points above, it thinks I should reconsider the compensation awarded.

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've decided to maintain my decision to uphold this complaint. I'll explain why.

Delays and customer service

I've looked carefully through the engineer's notes which British Gas has given me to support its view that no decision was made on 11 March 2025 to replace the cylinder. I can't see an entry for 11 March 2025 at all. And none of the other notes support what British Gas says. So this information doesn't make a difference to the outcome of this complaint.

Mr O's told us the engineer said during the visit on 11 March 2025 that the cylinder needed replacing. His testimony has been clear and consistent about this throughout. And I think his and British Gas' actions in returning only a few days later supports his side of the story. So overall, I'm more persuaded by Mr O's account of what happened during this visit and I think it's likely British Gas knew by this date that the cylinder needed replacing.

I think it's likely this repair would've been resolved much sooner than it was if the cylinder was ordered when British Gas first identified it was needed on 11 March 2025. So I'm satisfied British Gas caused a long delay and it gave Mr O a poor service.

Consequential losses

British Gas has explained the terms of the policy don't provide cover for Mr O's alternative accommodation or the electric fans or heaters he bought. And from looking at the terms, I accept what it's said here. But it's my view that Mr O was caused these extra expenses because of British Gas' actions and not as a result of the claim. So I don't think the policy terms apply here. I'm persuaded the delays British Gas caused to settling Mr O's claim caused him financial loss so I think it's fair for British Gas to reimburse him for this.

Distress and inconvenience

British Gas has highlighted a number of times that it didn't cause the smell or underlying issue in Mr O's property but I don't think that makes a difference to the outcome and I haven't considered it here. Instead, I've considered the impact of the delays British Gas caused and the service it provided both when handling his claim and his complaint. And I'm not persuaded the compensation it's offered is enough to make up for what's gone wrong.

I don't think British Gas got to the crux of the complaint and repeatedly asked Mr O questions he'd already answered. I don't think he would've felt listened to and I am satisfied he would've been caused a great deal of distress and inconvenience. And I don't think the offer of compensation British Gas previously made makes up for this.

Putting things right

To put things right in this case, I direct British Gas to:

- Reimburse Mr O the amount he paid for alternative accommodation between 21 March and 23 March 2025 upon receipts showing how much he paid for the hotel.
- Reimburse Mr O the amount he spent on fans and the electric heaters he bought when he returned to his property on 23 March 2025 upon receipt of evidence from Mr O showing how much he paid for these items.
- British Gas should add 8% interest to these amounts from the dates Mr O made the payments until the date of settlement. If British Gas considers that it's required by HR Revenue & Customs to take off income tax from the interest, it should tell Mr O how much it's taken off and give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs.
- Pay Mr O a total of £650 compensation. That includes and is not in addition to the £360 it's already offered him.

My final decision

For the reasons I've given, I uphold Mr O's complaint and direct British Gas Insurance Limited to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 4 December 2025.

Nadya Neve
Ombudsman