

complaint

Mr S complains that British Gas Insurance Limited mishandled his claim on a home assistance insurance policy.

background

The British Gas policy covered certain central heating repairs but not the costs of either flushing sludge from the system or putting right design defects. British Gas installed a new pump and did a power flush. But a radiator on the middle floor of Mr S's property still did not work properly. British Gas said this was caused by a design fault. It recommended re-piping at a cost of about £5,000. British Gas reimbursed the power flush costs and sent Mr S £230 compensation.

The adjudicator recommended that the complaint should be upheld in part. She said that - after he brought his complaint to us - Mr S paid an independent engineer £128.40 to get all the radiators working by "rebalancing the system" and (later) £180 for a report. The adjudicator recommended that ("in addition to the £230 compensation already offered for the four years Mr [S] spent without any heating in his bedroom") British Gas should reimburse Mr S:

1. the £128.40;
2. the £180.00.

British Gas agreed with the adjudicator's opinion.

Mr S also agrees. But he says, in summary, that the £230 British Gas paid him with its final response letter was not for lack of heating – so it should pay him a further £230 for that.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In mid-June 2014 British Gas sent Mr S a final response letter. It included the following:

"I am sorry that there were 8 visits to your property between 2 January 2014 and 16 April 2014 during which we were attempting to diagnose the root cause of the problems in your property. As a good will gesture and in view of the inconvenience that this caused, I have arranged to send you a cheque for £180.00. I have increased this to £230.00 in view of the delays responding to your complaint in writing".

I think that figure of £230 ought reasonably to have stuck in Mr S's mind.

I accept that the adjudicator referred to it as being:

"... the £230 compensation already offered for the four years you spent without effective heating in the radiator in your bedroom."

But I think that - in its context - it was clear that the adjudicator told Mr S that – in addition to the £230 British Gas had already paid – it was offering to reimburse his payments of £128.40 and £180.00 to the independent engineer.

Mr S did not ask for clarification of the offer. He responded to it by saying:

"I accept your findings and compensation offered".

In view of his acceptance, I don't think it would be fair and reasonable to order British Gas to pay Mr S any more than £128.40 and £180.00, plus interest at our usual rate from the approximate dates of the independent engineer's invoice and report.

my final decision

For the reasons I have explained, my final decision is that I uphold this complaint in part. I order British Gas Insurance Limited to pay Mr S:

1. £128.40;
2. simple interest on that amount at a yearly rate of 8% from 12 December 2014 to the date it pays him;
3. £180.00;
4. simple interest on that amount at a yearly rate of 8% from 5 March 2015 to the date it pays him;
5. If it decides it has to deduct tax from the interest element of my order, it shall send Mr S a tax deduction certificate when it pays him. He can then use that certificate to try to reclaim the tax, if he is entitled to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 September 2015.

Christopher Gilbert
ombudsman