

## **complaint**

Mr D complains that he received poor service from British Gas Insurance Limited (BG) under his HomeCare insurance policy after he reported a leak that was causing damage to his home. He also complains about the poor complaint handling he experienced.

“BG” includes its agents and contractors.

I've previously issued a provisional decision in respect of this complaint.

## **background**

Towards the end of October 2018, Mr D noticed a water mark in the corner of his dining area ceiling. He suspected a water leak and contacted BG.

On 29th October one of BG's engineers visited. He diagnosed a leak from mastic around the bath in the family bathroom. Mr D says he accepted that there were some signs of very minor water egress from an overhead shower but didn't believe that this was responsible for the damage. He says he referred the engineer to a toilet in an adjacent en suite bathroom but the engineer said that he had checked this and all was in order. Mr D says he was advised to remastic the bath which he did the same day. The ceiling would then need some time to dry out.

Mr D says that by 11th January 2019 the ceiling hadn't dried out and was still wet, as now were the walls. He believed that BG's engineer had wrongly diagnosed the source of the leak and that it was continuing. He contacted BG, and the original engineer came back. He made a further check and this time diagnosed the leak as coming from an insecure flush pipe from the toilet cistern to the bowl which he said he'd then fixed. He suggested that this may be a second leak. Mr D suspected that this was in fact the same leak that the engineer hadn't detected at his previous visit on 29 October.

Mr D says that one week later, on 18th January, there were still drips of water coming through his dining area ceiling and extensive black mould down the walls and into the floor boards. Disillusioned with BG's ability to deal with the matter, Mr D contacted his home insurers and made a claim under his home insurance policy.

Mr D's home insurers appointed engineers to investigate. They visited on 22nd January and their opinion was that the water damage was being caused by an escape of water from a leak in the en suite toilet's flush pipe and that this had been leaking for some time. In their view the leak from the flush pipe was there to be discovered on 29th October and that BG's engineer hadn't investigated thoroughly and had failed to identify it.

Mr D complained to BG on 22 January. Following its receipt of Mr D's complaint, another BG engineer attended. He found a leak behind the en suite toilet cistern. He replaced the flush cone and tightened the bath taps as well as loose joints under the bath. He reported that there was a slight leak on the bath joint, but

most of the water leak that was causing the damage was coming from the en suite toilet.

BG conducted an investigation. It agreed with some of the concerns that Mr D had raised. It says that at his first visit on 29 October 2018, its engineer found a leak coming from the under shower area and fixed this. It then says that on 11 January Mr D called to report a further leak, indicated as being a leak from the toilet. BG says its records show that the engineer tightened, checked and tested the bath waste connections but didn't carry out any work on the toilet. So its view was that the leak Mr D reported on 11 January 2019 was a separate leak to the one he'd reported on 28 October.

BG denies liability for the majority of the damage to Mr D's home. It accepts that there was a delay of 11 days between Mr D initially reporting the leak on 11 January 2019 and the repair being completed on 22 January 2019. It says that if it had been told that the leak was continuing as soon as Mr D had noticed it after 11 January 2019, it may have been able to attend earlier. It might have been able to fix it at some point between 11 January and 22 January 2019. It doesn't agree that the leak was misdiagnosed on 29 October 2018 as the time elapsed between October 2018 and January 2019 indicated to it that if that leak had been continuing, it should've been called back to deal with it much earlier than 11 January 2019.

BG has offered Mr D £100 compensation for his inconvenience.

Mr D doesn't accept BG's response. He doesn't believe that it's been honest, nor its investigation thorough. He says BG is trying to argue that two leaks were reported – one in October 2018 and one in January 2019 - and that there's no causal connection between them. He says that when he called BG in January, it wasn't in relation to a new leak, but to the original one that was continuing because it hadn't been properly diagnosed and fixed in October. He says that had BG's engineer shown the requisite reasonable care and skill he would've correctly identified the source of the leak on 29th October and that his failure to do had caused foreseeable consequential loss to his property.

Mr D made a claim on his home insurance policy. The work to repair the damage to his house has cost around £5,000, and he had to pay the £350 policy excess. He also says he's lost a number of days work to be at home to facilitate all the necessary repairs. He also says that he lost the amenity of his dining area, particularly over the Christmas period when he would've used it for entertaining, and of his en suite toilet.

As he was dissatisfied with BG's response to his complaint, Mr D brought it to this service. Our investigator thought that BG's delay in identifying what was causing the damage was more than just the period between 11 and 22 January 2019, and that it was fair that Mr D be compensated for the trouble and upset he'd experienced. She thought that BG should pay a further £150 in compensation.

Neither Mr D nor BG agree with our investigator's view. Mr D says that in October 2018, when he first reported the problem to BG, the visible damage to his ceiling was very small, and a repair would've involved minimal cost, and

wouldn't have involved his home insurers. He'd already bought some sealant to apply himself when the small damp patch had dried out, but it never did. It only proceeded to get worse. He argues that if BG's engineer had diagnosed the cause of the dampness correctly at that point, he wouldn't have had to make a claim on his home insurance policy, with consequent liability for the £350 excess and potential higher future premiums, not to mention the disruption.

BG argues that it can't be held responsible for a loss it never knew about. Mr D hadn't contacted it between 29 October and 11 January. Had he done so, an earlier repair could've been made and less damage done.

As neither Mr D nor BG agreed with our investigator's view, the matter was passed to me to decide on the fair and reasonable response to Mr D's complaint. I issued a provisional decision. Neither BG nor Mr D has provided any further information in response to that decision that might cause me to change my view so this is my final decision

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I'm upholding Mr D's complaint in part but for different reasons to those of our investigator.

I need firstly to form a view on what caused the damage to Mr D's ceiling. In doing so, I accept what Mr D says about there being just one leak, and not two. I think it's inherently unlikely that the damage to Mr D's dining area ceiling would've been caused by two separate leaks from two different locations. I think on the balance of probabilities the damage was caused by one leak that wasn't identified until 22 January despite a BG engineer having investigated on 29 October 2018 and 11 January 2019.

In support of that, and having seen photographs of the damage to the floor area around the toilet where the leak is said to have occurred, I think even to the untrained eye it seems likely that water had been leaking in that area for considerably longer than the period between 11 and 22 January. So I'm satisfied that the leak from the toilet was present when BG's engineer visited on 29 October 2018. This view is further supported by the report provided by the engineers appointed by Mr D's home insurers, which stated that the damage they saw on 22 January was from a "long standing" escape of water and that the leak could've been identified earlier and so wouldn't have caused the extent of the damage that they saw on their visit.

Had the leak been diagnosed and fixed on 29 October, the damage to Mr D's home would've been minimal. He wouldn't have experienced the loss of amenity of his toilet, or of his dining area, particularly over the Christmas period, and he wouldn't have had to be present on so many further occasions to accommodate engineers and others. He wouldn't have had to involve his home insurers.

Having come to a view as to the cause of the damage to Mr D's home, I need then to consider whether BG is responsible for this and if so, to what extent.

I've looked at the terms of Mr D's policy. There are a number of exclusions which seem to me to be relevant. These are:

***"Any damage that's covered by other kinds of insurance***

*Your product doesn't include repairing or replacing any damage caused by extreme weather, flooding, structural issues, fire or explosions – or any other kind of damage that's normally covered by household insurance – unless your product specifically includes it. If your product specifically includes anything that's also covered by your household insurance, we're only responsible for our fair share.*

***Any other loss or damage***

*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.**"* (my emphasis added).

Mr D's policy with BG only covers repairs, not making good. The cost of making good is therefore something that should be covered by his home insurance policy, and it has been. But Mr D's point is that he wouldn't have had to make a claim on his home insurance if the leak had been identified on 29 October. And it was only because BG's engineer failed to correctly identify it that the damage became so extensive that a claim was necessary.

I have to consider whether it's reasonable for BG to be held responsible for the extent of the damage that was caused. Its engineer visited twice and on both occasions thought that the leak was from some other source and that he'd taken remedial action. I can't say how obvious it should've been to a competent engineer that the leak was actually from some other source when he had in fact identified some potential causes and fixed them, such as the small leaks he found in the family bathroom.

The only way to identify if BG's engineer had correctly identified all sources of leakage and fixed them would be if the visible damage to Mr D's ceiling reduced. And it didn't. It only got bigger.

I think it's reasonable to say that the point at which it should've been obvious that the dampness on the ceiling wasn't drying out as it should've done, but was instead expanding, would've been much earlier than 11 January, some 11 weeks later. During that period the damage increased from what Mr D describes as "*a mildly damp patch about 4" in diameter*", which Mr D was intending to deal with himself with some damp sealant, to damage that had spread to walls and floor, costing some £5,000 to repair, and involving his home insurers.

I think it would've been reasonable for Mr D to have contacted BG much earlier to get it back to identify why the first repair hadn't stopped the dampness, and before it started to affect the walls and then the floor and for mould to develop.

I accept that a second visit by BG on 11 January also failed to identify the source of the leak, which was only identified 11 days later, but I think that between 29 October and 11 January the greater part of the damage would already have

occurred. I don't think so much damage would've occurred had Mr D not waited for some 11 weeks before contacting BG again.

I accept that Mr D has suffered considerable trouble and upset because of two incorrect diagnoses of the source of the leak. But I think that this would've been mitigated if he'd contacted BG again sooner, rather than waiting 11 weeks to do so.

I think it likely that the continuance of the leak would've been obvious within a relatively short time after 29 October, and once identified, could've been fixed and any damage repaired in good time for Christmas. However, I think that compensation of £250 would be more appropriate given that there was another misdiagnosis on 11 January and then a further delay between 11 and 24 January before the leak was diagnosed and finally fixed.

I'm also of the view that BG's reasons for rejecting Mr D's claim haven't been entirely accurate in that they've misrepresented certain aspects of the claim and what Mr D has said in correspondence. I feel he has reason to be dissatisfied with the way his claim has been handled. I think that compensation of £100 would be appropriate here.

So my decision is that BG should pay Mr D £350 compensation, less any sum already paid to him.

### **my final decision**

For the reasons I've given above, I'm upholding Mr D's claim and I require British Gas Insurance Limited to pay him £350 plus interest, less any sum already paid to him.

British Gas Insurance Limited must pay the balance of the compensation within 28 days of the date on which we tell it Mr D accepts my final decision. If it pays later than this it must also pay interest on that balance 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 D to accept or reject my decision before 18 March 2020.

Nigel Bremner  
**ombudsman**