

complaint

Ms F has complained about the service she received from British Gas Insurance Limited.

background

Ms F has an insurance policy which covers the cost of repairs to various parts of her rental property. She made a claim because the hot water cylinder, gas hob and washing machine needed repairing. This complaint has arisen due to the delays in repairs being carried out and in replacement products being provided, and because of the time Ms F spent trying to sort matters out. She also lost money because the tenant didn't pay rent for one month.

British Gas apologised for the inconvenience caused and it paid Ms F £470 compensation as a gesture of goodwill. It also paid in full to replace the hob, instead of the 30% the policy covered. This resulted in a further payment to Ms F of £114.

Our investigator thought the complaint should be upheld. He thought British Gas should pay Ms F an extra £100 compensation for the service she received; and £750 as a contribution towards the financial loss she suffered due to the tenant not paying the rent. The case has been passed to me because we didn't hear from British Gas advising whether it agreed with our investigator's conclusion.

my findings

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

By paying Ms F some compensation already, British Gas has already accepted that things could have progressed better. The only issue for me to decide therefore is the appropriate level of compensation.

financial loss

The tenant was always going to be inconvenienced to a degree by the simple fact that the hob, washing machine and hot water cylinder needed repairing/replacing. But I think the way British Gas handled the matter added to that. There were numerous visits to the property in order to diagnose and repair the problems, all of which meant the tenant had to make arrangements to be off work. And the delays meant the tenant was without key services for longer than necessary.

This ultimately led to the dispute between the tenant and Ms F over payment of the rent. British Gas had no control over either the tenant or Ms F in respect of any agreement they came to, but I think it's most likely that matters wouldn't have come to a head – and there not being such a vast reduction in the rent – had the repairs been dealt with promptly.

But I think our investigator made a good point when he said the tenant still had use of the property and it was Ms F's decision in the end to agree to them paying no rent at all for the month. I therefore agree with our investigator that it's fair for British Gas to compensate Ms F for half the rent she lost. I think that's a fair compromise. The only caveat I add is that Ms F will have to provide some sort of proof to British Gas that the rent wasn't paid. This could be something in writing from the tenant, or a copy of the bank statement for the account where the rent is normally paid into showing that it wasn't paid in July.

trouble and upset

Much like I've said above, it was always going to be inconvenient for Ms F to deal with this matter and with her tenant – that was a natural result of the repairs that were needed. But I think British Gas added to that. Ms F had to make numerous phone calls to British Gas get things moving, she spoke to different people, and some calls weren't returned. She also had to liaise with her tenant more than she otherwise would have.

I don't punish businesses for poor service. If it's warranted, I make them pay compensation to make up for the trouble or upset they caused. Here, British Gas has in effect offered Ms F a total of £584 in compensation due to the service it provided. I think this was fair. I don't think there are grounds to make it pay a further £100.

my final decision

I uphold this complaint. Subject to her providing it with suitable proof of her financial loss, I require British Gas Insurance Limited to pay Ms F £750 compensation for the rent she lost.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 12 December 2016.

Paul Daniel
ombudsman