

complaint

Mr and Mrs L, through their representative, say that after their tenant had reported an escape of water, British Gas Insurance Limited incorrectly diagnosed the problem which resulted in more damage to their property than would otherwise have been the case.

background

Mr and Mrs L's tenant reported a leak at their property in October 2017. They contacted British Gas which provided their home emergency cover. An inspection was carried out indicating a potential issue with the shower waste pipe. The authority of the policyholders was sought for accessing the pipework through the lounge ceiling.

A couple of days later when the tenant was using the bath there was another leak. A second engineer attended but although approval had been given for British Gas to trace the problem through the ceiling he only inspected the ensuite bathroom. The shower waste and feeds were tested and no fault found. Instead the shower sealing and curtain were identified as the cause.

Two days later the tenant reported another leak late at night. This time an alternative emergency plumbing service was called. They accessed the problem area through the lounge ceiling and identified a fault with the hot water pipe/cylinder. A fix was made which solved the problem.

Mr and Mrs L have a number of concerns about what happened. For example, they don't think British Gas got to grips with their problem. They say that a misdiagnosis meant the damage to their property was made much worse. They're also unhappy about how their claim was handled – they felt their agent had to chase matters to get things moving.

I can see from the case records that as early as January this year British Gas seems to have accepted internally that it didn't get everything right. And that it would be liable to certain costs. The following are extracts from the file.

“The engineer who attended on the 02/11 should have made access into the ceiling and if he did he would have found the leak and fixed it. Unfortunately he did not take any photos from that visit so we do not have any evidence that the seals were also leaking.”

“Regarding the 3rd party repair, they made access and repaired a leak on pipework from the Hot Water Cylinder. We are liable for this.”

So, I agree with the approach the investigator took. This complaint is really about what British Gas needs to do to put matters right. Mr and Mrs L think it should pay for all the repairs to their property. In addition, they were seeking payment for the costs they've incurred with their managing agent as well as compensation for trouble and upset.

Our investigator proposed an award based on what Mr and Mrs L's policy would normally provide for, plus a proportion of the costs they incurred as a result of the damage to their property recognising these works were more extensive than they should've been given the things British Gas got wrong. He also made an award for the trouble and upset they'd been through.

Mr and Mrs L disagreed. They felt that all of the costs they incurred for the damage to their property should be covered. They also wanted the costs for their agent to be met. British Gas didn't respond fully, but it did provide initial comments on the investigator's view saying that it thought the award was excessive.

Mr and Mrs L's complaint was passed to me and I issued a provisional decision last month. I haven't received any new arguments or evidence from either party so I see no reason to depart from my initial conclusions.

my findings

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I'm upholding Mr and Mrs L's complaint. I'll explain why.

My starting point is what Mr and Mrs L's home emergency cover with British Gas provides for. In the policy document under the section on plumbing about what's covered it says:

'All repairs to the plumbing system on your property including...hot and cold water pipes between your internal stopcock up to, and including your taps...The hot water cylinder and cold water tanks... A replacement of parts that we can't repair.'

There's no debate about whether or not Mr and Mrs L were covered by the policy for the problem they had at their property. Unfortunately, even though British Gas had an opportunity to locate and fix their leak, it didn't manage to do this.

Ultimately the tenant called a third party emergency plumber to get help. I think this was a reasonable step to have taken given the failure of two previous visits by British Gas to fix the problem. It was a priority to mitigate further damage to the property and reinstate bathroom facilities.

As well as repairs and replacement parts, Mr and Mrs L's policy covers any damage done by British Gas in getting *access* to the problem area and *making things good* afterwards, for example by filling holes and leaving a level surface. The limit for such works was £1000. But it *doesn't* cover the cost of things like decorating.

I can see that the cost of the work to access the problem area in Mr and Mrs L's property was £490. I agree with the investigator that these costs should be met given the policy cover provided.

The difficulty with the invoice I've seen for this work is that it doesn't give a breakdown of the cost for gaining *access* and the cost of fixing the leak. That makes it impossible to understand what balance of the £1,000 allowance in the policy for *access* and *making good* is available towards the subsequent works required at Mr and Mrs L's property.

The information on file suggests some damage had already been done to Mr and Mrs L's property by the first escape of water. But I also think it's more likely than not the damage was made significantly worse by the leaks which happened after British Gas first attended. Because it didn't put things right, as it should've done according to the cover it provided, it has some responsibility here.

The evidence on file about the extent of the damage after each of the leaks isn't extensive. So I can see why the investigator decided that British Gas should meet 50 percent of the costs for damage from the leak. I think this judgement was reasonable.

Mr and Mrs L provided an estimate for those subsequent works, which would include *making good* after gaining access as well as the putting right the wider damage caused by the leaks. This was for £4,600. The problem with this document is that although it lists tasks to be completed it doesn't itemise the relevant costs.

While British Gas responded to the investigator saying that it thought the costs awarded were excessive it hasn't provided its own estimate.

I note British Gas asked for a copy of the invoices for all the works done. It already had the invoice for the emergency plumber. But I don't think it unreasonable for Mr and Mrs L to supply the invoice for the remainder of the works, which their representative has told us have been completed.

Mr and Mrs L thought that British Gas should pay their managing agent fees. I agree with the investigator that as we are a free service no compensation would be appropriate for handling their complaint. But I do think they have a good argument for reimbursement of 50 percent of the fees where these related to managing the repair works. Otherwise they wouldn't be put back in the position they should've been in had British Gas got things right.

I also think the award made by the investigator to Mr and Mrs L for trouble and upset was fair.

So, essentially I agree with the broad findings of the investigator and his rationale. But I think the redress that he recommended needs to be changed a little to be fair to both sides.

putting things right

Based on what I've set out - following submission of appropriate invoices for the works at Mr and Mrs L's property related to the leaks they reported – I require British Gas Insurance Limited to pay them:

- i. £490 payment for the cost of the emergency plumber
- ii. The cost of making good the damage caused by the emergency plumber accessing the problem area, up to the balance remaining of the £1,000 policy limit for this work
- iii. 50 percent of the remaining costs of putting right the damage caused by the leaks from the hot water cylinder pipework
- iv. 50 percent of the managing agents fees where these relate to managing the repair works
- v. 8% simple interest from the date they paid invoices for items (i-iv), until these amounts are settled
- vi. £250 for the trouble and upset that Mr and Mrs L experienced as a result of the things it got wrong.

** If British Gas considers that it's required by HM Revenue & Customs to withhold income tax from the payment it makes for interest, it should tell Mr and Mrs L how much it's taken off. It should also give them a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate*

my final decision

For the reasons I've explained, I'm upholding Mr and Mrs L's complaint. I require British Gas Insurance Limited to put things right as I've set out.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs L to accept or reject my decision before 18 October 2018.

Kevin Williamson
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