

complaint

Miss H complains that British Gas Insurance Limited ("BGI") won't pay under her home emergency policy to fix a leak in the water supply to her home.

background

Miss H said that she had a home emergency policy with BGI. She asked BGI to send an engineer, to repair a leak in a pipe that supplied water to her home. But when BGI's engineer attended, he said that the leak was on a shared pipe, and so he said that it wouldn't be covered under the policy.

Miss H said her policy set out that the water supply pipe from the boundary of her property to her home was covered. And the only exclusion under the policy was for "*any water supply pipe which doesn't supply your home*". This pipe did supply her home. She thought that BGI should fix the pipe.

BGI said that when its first engineer attended, in May 2018, he couldn't locate any faults with the pipework. BGI has also since said that when a plumber visited on 10 July 2018, that plumber identified that Miss H has a shared mains pipe, so the engineer couldn't just shut that off and do this job.

BGI said that it knew that Miss H had been told by her local water authority that she should replace the pipework in her property. But it said she wasn't covered under the policy. It said that for it to do this work, Miss H would need to have an external stopcock in the street and one inside the boundaries of her property. BGI said that this was in line with the conditions set out on page 30 of her policy book.

BGI said that it thought that it could've provided better service when Miss H tried to reach it, to book an appointment, so it would pay £50 to make up for that. It sent Miss H a cheque. But it said that it still thought that the problems with the water pipe weren't covered because the issue had been diagnosed as originating from a shared mains pipe, and so it was excluded under the terms and conditions of her policy.

Our investigator asked BGI some further questions. BGI said that the leak was on the mains pipe, and that it was shared. But our investigator said that didn't seem to clear up whether the leak was on Miss H's property, or outside her boundaries. In response, BGI offered to visit, to take a picture of where the leak was.

But when our investigator spoke to Miss H, she said that her local water authority was now having the work done. Miss H said she'd had to agree to that, as the authority was threatening to take court action. She would have to pay £600 for the work. The authority was going to replace the mains water pipe completely, with new fittings in the back garden and new stopcocks. The old water supply would be disconnected. All this was being done because there was a leak on the mains supply somewhere, but no one could locate it.

In response to this, our investigator suggested to BGI that this complaint should be upheld. He said that it seemed reasonable to replace pipework if there was a leak which couldn't be located. He also said that he'd been reading the policy terms, and he couldn't see any indication that the work that Miss H was now having to pay for wouldn't be covered. So he thought BGI should pay.

BGI wanted some time to think about this, and to ask the plumbers who work for it about what our investigator had said. Our investigator agreed to that. That was in early December. BGI got back in touch at the end of January, to say that there wasn't an issue with the repair not being covered, it was just that the engineer couldn't switch the water off because it would've shut off water to a number of properties.

Our investigator said that didn't explain why BGI hadn't agreed to pay for repairs, or even whether it still thought that it didn't need to pay for them. Although our investigator had prompted BGI to set out its view on this a number of times since then, BGI hadn't responded.

In the meantime, Miss H sent us a copy of her invoice which asks her to pay £600 for her share of the cost of the replacement of a shared water supply pipe that supplies her home, and a small number of others. The invoice says it's for renewal with internal connections to her home.

Our investigator sent this invoice to BGI, and said he thought that BGI should pay it. In reply, BGI said that Miss H wasn't covered because the terms and conditions of its policy said that shared drains were excluded. BGI said that it couldn't fix a shared drain without switching off the water, and leaving all the other properties without water.

Our investigator replied that the water authority did have permission to switch off the water, and when it did, it couldn't find the leak. So it decided to replace the whole system. Our investigator said he thought that's what BGI would've done too, if it had done the work.

Our investigator also said he thought Miss H was being asked to pay for the cost of replacing pipework that connects to the shared system. He didn't think the invoice included any payment for replacing the shared system itself. And he thought BGI should pay the invoice.

BGI hasn't responded further to that, so our investigator passed this complaint to me for a final decision.

my provisional decision

I issued a provisional decision on this complaint and explained why I proposed to uphold it. This is what I said then:

- I thought there had been a considerable amount of confusion in this case, so I started by setting out what I thought had happened. The information we had wasn't complete. But it seemed to me, given how long it had taken BGI to respond to our enquiries, that the best way forward was not for me to ask BGI further questions about this complaint, but just to set out here what I thought seemed most likely to have happened.
- BGI attended Miss H's property in May, and couldn't find anything wrong with the pipework. It then went out again. Its internal notes suggest this was in July, although its final response letter says August.
- On the second visit, BGI said that it couldn't isolate the leak, because it couldn't switch off the water. The water supply to Miss H's house is shared with a small number of other properties, and the stopcock that BGI would've needed to use to shut off water to her house controlled the water to all of those properties.

- It wasn't clear, however, that BGI had actually identified where the leak was at any point. I noted that it hadn't found the leak on the first visit, that the water authority couldn't find the leak either, and that BGI didn't seek to correct our investigator, when he said he didn't think that BGI had ever found the leak. For all those reasons, I didn't think it was likely that BGI's engineer had found the leak on the second visit either.
- If there was a leak, that no one could find, it seemed reasonable to say that the pipework should be replaced. Our investigator thought that this was what BGI would've done if it had done the work. I thought that too.
- But BGI didn't do the work. It told Miss H she wasn't covered. It had given a number of different reasons for that.
- BGI suggested that these repairs weren't covered, because this was a shared pipe. It also said that they weren't covered because it was a shared drain. And it said that the leak wasn't covered because there wasn't a separate stopcock for Miss H's property. I commented on each of those statements.
- The leak was on a water supply to the property, not a drain taking water away. Miss H's policy treats plumbing bringing fresh water into the property differently to drains taking water away. So the provisions in the policy about shared drains weren't relevant here.
- There was no exclusion which said that BGI doesn't cover shared mains supplies. The policy says it covers
 - o *"All repairs to the plumbing system on your property, including:*
 - o *...*
 - o *Your water supply pipe from the boundary of your property to your home.*
- Under *"what's not covered"* the policy says
 - o *"Any water supply pipe that doesn't supply your home"*
- I thought that meant that a shared water supply pipe is covered, as long as it supplies Miss H's water, and it's within the boundary of her home. A shared pipe is only excluded if it's outside her property, or if it's inside her boundary but only supplies other people, not her.
- BGI also mentioned something elsewhere in the policy book. It stated that *"the customer needs to have an external stopcock in the street and one inside the boundaries, in order for us to carry out any work without affecting the neighbours"* And it referred to page 30 of her policy booklet. So I looked at that too.
- Like our investigator, I could find nothing of relevance on page 30 of Miss H's policy booklet. Page 31 does include a provision on shared mains water supplies. But that just says
 - o *"If we can't turn off the external water supply stopcock to your home to complete your repair it's up to you to get your water supplier to turn it off."*
- That wasn't an exclusion that would justify BGI saying that Miss H wasn't covered for this work.
- I considered all the provisions that BGI had pointed to. And I hadn't seen anything to make me think repairs to the pipe Miss H wanted BGI to fix weren't covered under her policy.

- I didn't think that BGI necessarily made a mistake when it didn't carry out the work on the pipes on its second visit. I thought it was both fair and reasonable for BGI to say then that it wouldn't just shut off the water to some other properties to complete this job.
- But I didn't think that meant BGI could refuse to do the work at all. I thought that there were other options to fix this leak. I thought that BGI should, at this stage, have explored with Miss H whether she could get the agreement of her neighbours to turn the water off while it did this work. I hadn't seen anything to suggest that BGI did that, either formally, or informally while its engineer was on site.
- If it wasn't possible to get the neighbours to agree to shut off the water briefly to allow for repairs, then I thought that BGI would've been able to say to Miss H that it wouldn't do the work unless she got the proper authority to turn off the supply.
- But I didn't think it was fair or reasonable for BGI to say that the work wasn't covered.
- Because BGI said it wouldn't do the work, I thought that Miss H had no alternative but to agree to have the work done by her water authority, which by now had run out of patience and was threatening legal action. So Miss H had to allow the authority to carry out a full replacement of her shared mains and her individual supply pipes. She'd been charged £600 for this.
- Our investigator asked Miss H if she could get a more detailed bill, and she said she couldn't. He thought that the invoice that Miss H received was just for reconnecting her home to the shared supply. I wasn't sure that was right. I thought it seemed to be both a part share of renewing the shared supply, and for reconnecting her home to that supply.
- So now I needed to think about whether it was fair to ask BGI to pay this invoice. I understood that it was possible that BGI could've done this work more cheaply. Or it may be, if BGI had investigated fully, it could've shown that this wasn't something that was covered under Miss H's policy.
- I think it was more likely than not that this work was covered under Miss H's policy. But I said we wouldn't ever know that for sure. I thought that BGI had lost its chance to check whether this work was covered when it wrongly turned down Miss H's claim.
- Because BGI wrongly turned down Miss H's claim, she had to pay £600 for work that she may have been able to claim for. If she had made a claim, she would only have paid £50 excess. And I thought that this had also caused Miss H a considerable amount of distress, at least some of which could've been avoided if BGI hadn't wrongly turned down her claim.
- In these circumstances, I thought that BGI should pay Miss H the £600 she'd been invoiced for this work, minus the £50 excess which applies to her plumbing and drains cover.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Miss H said that she was happy to accept the decision, but she wanted me to know that she'd never received the payment of £50 that BGI said that it had sent her for the problems she'd experienced getting in touch with it. Our investigator mentioned this to BGI, and asked

it to comment on that in its response. BGI replied to object to my decision, but didn't comment on the compensation payment it said it had sent out.

my findings

I've reconsidered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I haven't changed my mind, but I have redrafted the award slightly, to reflect that Miss H may not have received a compensation payment. When I wrote my provisional decision, I thought she'd been sent that.

When BGI wrote to us, it said that it didn't agree with my findings.

BGI said it was clear that even after the water authority dug, it couldn't find the source of the leak. That was why it had replaced the entire run and installed a separate stop cock for Miss H. BGI said that would suggest that Miss H had a shared run previously, which was its initial diagnosis, therefore based on that, Miss H was not covered for the repair.

It's disappointing to see this comment from BGI, as it doesn't appear to recognise both that our service has always accepted that Miss H had a shared water supply pipe, and that, after checking her policy carefully, I've concluded that there is no exclusion in Miss H's policy that means a shared pipe like this isn't covered.

BGI said that it would have expected Miss H to give it a reasonable amount of time and opportunity to carry out an investigation or repair. It said that Miss H had refused to let one of its senior engineers attend. And it said that it would also like to note that the experts in this matter, the water authority, were unable to find the source of the leak.

BGI hasn't previously referred directly to Miss H not allowing a senior engineer to attend. There's no sign of that in the initial notes about her claim. So it seems likely that what BGI is referring to here is its offer to attend the property to take a picture of the leak, an offer I've noted it made as part of the investigation. When our investigator asked Miss H about that, she said that the water authority was replacing the pipe. I don't think it would be unreasonable for Miss H to refuse to agree to a visit from BGI's senior engineer to look at a leak which was no longer likely to be there.

BGI has also said the water authority couldn't find the leak either. I said in my provisional decision that I thought, if the leak couldn't be found, it was reasonable for the water authority to replace the affected pipe. I thought BGI would've done the same, if it had done this work.

Miss H said that BGI had promised to send her £50 in compensation to make up for the problems that she'd had getting in touch with it. But she'd never received the cheque. I didn't deal with this in my provisional decision, because I thought that issue had been resolved by this payment. Once this was raised by Miss H, our investigator asked BGI to comment on whether the cheque had been cashed, or whether it would replace it. It hasn't done that.

In these circumstances, I'll amend my decision so that it includes the payment of £50 to Miss H, as compensation for poor service received when she tried to book an appointment. If BGI can show that this cheque has been cashed, and Miss H has perhaps forgotten this, then it won't have to issue it again.

my final decision

My final decision is that British Gas Insurance Limited must pay Miss H £550, for costs that she's incurred for replacing a water supply pipe to her home. And, if it hasn't done so already, it should pay her £50 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 18 May 2019.

Esther Absalom-Gough
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