

complaint

Mrs F complains that British Gas Insurance Limited gave poor service under a home care insurance policy.

background

British Gas replaced Mrs F's hot water cylinder in early 2012. In late 2015 it leaked and damaged the room below. In early 2016 British Gas again installed a new cylinder and disposed of the old one. Mrs F complains that it should pay for redecoration of the damaged room. She says that the manufacturer of the 2012 cylinder gave British Gas a five-year guarantee but British Gas only gave her a one-year guarantee.

The adjudicator recommended that the complaint should be upheld in part. She thought that if - instead of disposing of it - British Gas had returned the cylinder to its manufacturer for inspection, the manufacturer might've accepted responsibility for the damage. Mrs F lost that opportunity. So the adjudicator recommended that British Gas should pay Mrs F £75 compensation for trouble and upset.

British Gas disagrees with the adjudicator's opinion. It says, in summary, that Mrs F was free to arrange for the manufacturer to inspect the cylinder.

Mrs F says British Gas never suggested she should get the manufacturer to inspect.

my findings

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

British Gas was the insurer responsible for dealing with claims. So, where I refer to British Gas, I include its engineers for whose actions I hold British Gas responsible.

I think it's common ground that Mrs F lives in an area of hard water. This often causes a build up of lime scale.

And – instead of a boiler - she had the cylinder attached to a heat storage stove. She has said that this meant that the manufacturer's guarantee was for five years rather than the usual ten years.

So I think these were factors affecting the longevity of the cylinder.

But her previous hot water cylinder had lasted for nearly twenty years.

British Gas installed a new cylinder in 2012.

And I would expect a hot water cylinder to last longer than from 2012 to 2015.

But the policy terms exclude damage to property caused by water leaks unless British Gas caused the damage.

And – keeping in mind the hard water and the heat storage stove - I don't think there's enough technical evidence that British Gas had installed a defective cylinder – or otherwise caused the leak.

I haven't seen the small print of the cylinder manufacturer's guarantee. But I would expect it to be limited to replacing the cylinder. I wouldn't expect the manufacturer's guarantee to extend to compensation for the damage caused by leaks.

And British Gas replaced the cylinder again in 2015.

So I don't think it would be fair and reasonable to order British Gas to contribute to the costs of redecorating the damaged room.

In its final response letter, British Gas offered Mrs F offered £50 compensation for the trouble and upset caused by its delay in answering her complaint. I find that fair and reasonable and in line with what I would otherwise have ordered it to pay for the frustration its complaint-handling delay caused Mrs F.

But - without an investigation into what had gone wrong with it - British Gas had got rid of the old cylinder. And this deprived Mrs F of the opportunity to investigate. This too caused Mrs F some upset. It left her with a feeling that she had lost an opportunity to claim compensation from the cylinder manufacturer.

I haven't found that British Gas caused her such a loss.

But I find that British Gas unfairly caused Mrs F the feeling of loss. So I think it's fair and reasonable to order British Gas to pay Mrs F – in addition to the £50 it has already offered – £75 for trouble and upset.

my final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I order British Gas Insurance Limited to pay Mrs F – in addition to the £50 it has already offered – a further £75 for trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 20 February 2017.

Christopher Gilbert
ombudsman