

complaint

Mr D complains that British Gas Insurance Limited is responsible for poor service under a home emergency insurance policy.

background

Mr D had a British Gas HomeCare policy. It included cover for plumbing and drainage. Where I refer to British Gas I refer to the insurance company of that name and I include its associated plumbing and drainage company - and others for whose actions I hold that insurance company responsible.

In about September 2017 Mr D called British Gas for help with a leaking water pipe. British Gas repaired it. In July 2018 Mr D reported a further leak. He complained that it was from the pipe British Gas had repaired before.

our investigator's opinion

Our investigator didn't recommend that the complaint should be upheld. He thought that British Gas worked on different parts of the pipe in 2017 and 2018. He said the information available showed that British Gas didn't make an error.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr D and to British Gas on 14 August 2019. I summarise my findings:

I didn't think that in September 2017 the first engineer had used reasonable care and skill to leave a joint of satisfactory quality and reasonable durability.

I was minded to find that British Gas caused Mr D to make the second insurance claim. But he hadn't sent us evidence of payment (or deduction) of the policy excess. Provided that he did so, I was minded to find it fair and reasonable to direct British Gas to reimburse Mr D with interest at our usual rate.

Mr D hadn't sent us evidence of his buildings insurance policy renewal date, policy schedules, no-claims discount or premiums for recent years. Further he hadn't shown us details of his claim or confirmed that he had made no other claims. So I wasn't minded to find it fair and reasonable to direct British Gas to compensate him for any increase in his buildings insurance premium in the current year or future years.

But I was minded to hold British Gas responsible for the inconvenience and distress caused by the second leak – and by the way it has responded to his complaint. I was minded to find £200.00 fair and reasonable.

Subject to any further information from Mr D or from British Gas, my provisional decision was that I was minded to uphold this complaint in part. I intended to direct British Gas Insurance Limited to:

1. (if he provided evidence of payment or deduction of the policy excess of £250.00):
 - 1.1 pay Mr D £250.00 in reimbursement of the policy excess; and

1.2 pay Mr D simple interest on £250.00 at the yearly rate of 8% from the date of payment or deduction to the date of reimbursement. If British Gas considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it must tell Mr D how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and

2. pay Mr D £200.00 for distress and inconvenience.

Mr D has – in response to the provisional decision – forwarded an email from his home buildings insurer.

British Gas says it is unable to add anything further in response to the provisional 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.

The British Gas policy covered repairs of leaking pipes. But it didn't cover damage caused by a leak.

In September 2017 Mr D suffered a leak from a water pipe behind his freezer in his kitchen. From what Mr D has said, that leak caused some damage in the kitchen and hall.

British Gas repaired the leak. It has provided us with six photographs (arranged in a block with two columns and three rows – with no spaces between the photographs). From them, I see that the first engineer removed a short section of copper pipe just above the floor screed. He replaced it with a copper bend on the left and a flexi-hose and a joint on the right.

Mr D has told us the following:

“Just to be clear the damaged (sic) caused by the September 2017 leak was repaired, an insurance claim was registered however it shows as a zero value claim because the repairs cost less than the excess on the policy.”

But Mr D hasn't shown us any evidence of the extent of repairs after the first leak.

In July 2018 Mr D reported that there had been a further leak as the repair from September 2017 had failed. He said this had caused further damage.

British Gas said that the first leak and repair were to a different section of pipe to the second leak. But – in support of that – British Gas has provided only one photograph. It said the following:

“The engineer who attended 05/07/2018 took one photo which is not very clear but it's highlighted the area he worked on”

Someone has inserted a red circle to highlight the area British Gas says it worked on. The quality of that photograph is poor. But I can see that it is an extract from the block of earlier photographs – mainly from the third row of the second column but with a small piece of the

photograph in the row above. So I don't think British Gas has shown us any photograph taken on 5 July 2018.

What's more, the red circle is highlighting the new joint between the new flexi-hose and the old copper pipe to the right. That's a joint made by British Gas in September 2017.

That joint must've been leaking on 5 July 2018 and probably for some time before that. So I don't think that in September 2017 the first engineer had used reasonable care and skill to leave a joint of satisfactory quality and reasonable durability.

Mr D has told us that he made (another) claim on his home buildings insurance. He has told us that he would like to recover his policy excess of £250.00 and to ensure that his claim has no impact on his future home buildings insurance premiums.

I find that British Gas caused him to make the second insurance claim. And Mr D has recently sent us email evidence of payment of the policy excess. So I find it fair and reasonable to direct British Gas to reimburse him with interest at our usual rate.

Mr D hasn't sent us evidence of his buildings insurance policy renewal date, policy schedules, no-claims discount or premiums for recent years. Further he hasn't shown us details of his claim or confirmed that he had made no other claims.

The email from his buildings insurer says the following:

"...you have paid the policy excess of £250 in respect of the above claim for escape of water at your property on 05/07/2018. I have spoken to the Sales & Service dept who have confirmed that the 2 escape of water claims which have been registered on your policy has increased the yearly policy premiums by £311.43."

That doesn't distinguish between the first claim (for which British Gas wasn't responsible) and the second claim (for which British Gas was responsible). The email suggests that each of the two claims had an effect on the yearly policy premiums. So I don't find it fair and reasonable to direct British Gas to compensate Mr D for the increase in his buildings insurance premium in the current year or future years.

But I hold British Gas responsible for the inconvenience and distress caused by the second leak – and by the way it has responded to his complaint. I find £200.00 fair and reasonable.

my final decision

For the reasons I have explained, my final decision is that I uphold this complaint in part. I direct British Gas Insurance Limited to pay Mr D:

- 1 £250.00 in reimbursement of the policy excess; and
- 2 simple interest on £250.00 at the yearly rate of 8% from the date of payment or deduction to the date of reimbursement. If British Gas considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it must tell Mr D how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
3. £200.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 5 October 2019.

Christopher Gilbert
ombudsman