

## **complaint**

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

## **background**

This decision will not name any party other than British Gas Insurance Limited. Where I refer to British Gas I refer to that insurance company and I include its associated plumbing and drainage company and others insofar as I hold the insurance company responsible for their actions.

Mr D is self-employed. He lives with his wife and two young children. Their home is a bungalow with solid cement-screed floors. He had home buildings and contents insurance with another insurer – his home insurer.

He also had a British Gas Homecare 4 policy. It covered central heating, plumbing and drainage and home electrics.

In early March 2019 Mr D found evidence of a water leak in the hallway outside the bathroom and a bedroom. He called British Gas for help.

He complained about poor communication and about a cancelled appointment for 8 March. British Gas made several visits.

On 10 April 2019 while digging up part of the floor, British Gas hit a pipe causing an escape of water. British Gas led Mr D to believe it had fixed the leaks. He complained about worsening water damage to flooring, walls and a bed and dressing table.

In May 2019 British Gas and Mr D each engaged a loss assessor. Mr D's loss assessor engaged a leak-detection company. It visited on 20 and 29 May 2019 and stopped two leaks. The loss assessor gave an estimate of £25,000.00 to £50,000.00 for repair of the water damage. Mr D and his family moved out of their home and into temporary rented accommodation.

## *our investigator's opinion*

Our investigator recommended that the complaint should be upheld. He thought that the actions by the British Gas engineers and the service in general had been unsatisfactory. He recommended that British Gas should:

1. assess its position in relation to paying the total costs for the repairs to Mr D's property upon receiving an accurate and reasonable figure from his loss assessor;
2. assess the removal costs and the leak detection invoice with a view to paying these in full;
3. either replace the bed and dressing table or pay a cash amount to cover the full costs of these items;

4. pay Mr D £750.00 to compensate for the service received, the inconvenience and stress caused to Mr D and his family, and also Mr D financially losing a paid day of work as a result of the appointment on 8 March being cancelled;
5. deal with the claim as originally made, and for Mr D to inform his home insurer to withdraw their claim so there is no extra cost to Mr D in terms of premiums with his home insurer.

#### *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mr D and to British Gas on 16 January 2020. I summarise my findings:

I found British Gas responsible for causing all the escapes of water in 2019.

British Gas caused him distress and inconvenience.

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 pay Mr D £750.00 for distress and inconvenience.

Mr D accepts the provisional decision. British Gas hasn't responded to the provisional decision. Therefore I see no reason to change my view.

#### **my findings**

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

A floor plan shows the layout of the bungalow. The master bedroom had an en-suite shower. The family bathroom had a bath and separate shower. As the family had young children, I accept Mr D's statement that it hardly used the shower in the bathroom.

I accept Mr D's statement that he had the policy in 2016 when British Gas repaired a leak from water pipes between the bathroom door and the bathroom shower. He has sent us a photograph of the hole dug in the floor and back-filled with screed. I have noted the floor tiles. I think he must have had the floor re-tiled as there are different tiles in later photographs.

The British Gas policy renewed in late September 2018. It covered making access through a floor, repairing a leak and making the floor level. But it contained the following exclusions:

##### ***"Pre-existing faults***

*Your **products** don't include cover for any faults or design faults that:*

- Were already there when your boiler, appliance or system was installed*
- Existed when you first took out the product*
- We've told you about before and you haven't fixed*
- We couldn't reasonably have been expected to know about before. For example, faulty pipes that don't have the correct protection, which are buried under concrete floors..."*

##### ***"Any other loss or damage***

*We're not responsible for any loss of or damage to, or cleaning of property, furniture or fixtures as a result of your boiler, appliance or system breaking or failing unless we caused it. For example damage caused by water leaks."*

When he contacted British Gas in March 2019, it was for help with a water leak underneath the flooring in the hallway outside the bathroom. His photographs show some damage to that flooring before British Gas lifted it.

From the outset, British Gas gave Mr D poor service. After he booked an appointment for 7 March 2019 and D took that day off work, he found British Gas had cancelled the appointment without telling him.

On 8 and 12 March, British Gas made unproductive visits.

On 20 March British Gas did some digging outside the bathroom but didn't find the leak. Instead it diagnosed a leak of waste water under the shower. From the earlier leak in 2016 and from events later in 2019, I think that on 20 March British Gas missed the opportunity to find a leak or leaks under the floor of the bathroom and/or hallway. But there had been leakage for some time.

On 28 March British Gas made another visit. And during a visit on 10 April, British Gas hit a cold pipe under the hallway floor, causing a serious water leak under the wooden flooring and into the bedroom.

Worse, it said it had fixed the leaks when it hadn't. It filled in the hole in the floor with screed which the photographs show wasn't level.

When Mr D sent in photographs of continuing and worsening damage, British Gas didn't respond quickly enough. So in May Mr D engaged a loss assessor who in turn engaged (and paid) a leak detection company.

That company visited on 20 and 29 May. On the first visit it found and fixed a leak from a cold water compression fitting near the British Gas repair under the hall floor. On its second visit it found and fixed a leak from a hot water speed-fit fitting under the bathroom floor.

From the 2016 photograph, I find British Gas responsible for the speed fitting and its poor durability.

The leak detection company summarised as follows:

*"It is possible that there was only one leak to begin with and this was on the speed fit fitting found in the bathroom floor today. With this in mind, when the original third party contractor came to carry out the leak detection and hit a pipe in the hallway floor; causing a leak, upon repairing this section of pipe a second leak was made. This was on the cold water compression fitting that we found on our first visit. This leak was found on a compression fitting approximately 300mm from the repair which possibly turned and subsequently loosened when the repair was made by the third party contractor"*

That sounds rather speculative.

But the photographs show that – rather than drying out after 10 April - something caused an increase in water damage. That could've been a deterioration of the leak in the bathroom.

But British Gas had filled in the hole in the hallway and left without finding or fixing the leak in the bathroom – and without any plan to visit again. That was poor service. So I find it more likely than not that British Gas also caused the leak on the cold water compression fitting.

So I find British Gas responsible for causing all the escapes of water in 2019.

Nevertheless, I find that Mr D reluctantly claimed against his home insurer for the damage and consequential costs including removals and alternative accommodation. I think it's now too late for him to withdraw that claim.

From what he's said, he didn't pay or suffer the policy excess of £350.00.

Mr D hasn't given enough details of his earnings or loss of earnings. Mr D hasn't given us details of any other uninsured financial loss. Rather he has said that his home insurer covered his costs. So I don't find it fair and reasonable to direct British Gas to compensate him for any such financial loss.

But I don't doubt that British Gas caused him distress and inconvenience. As he's the policyholder, I will assess compensation on the footing that his distress and inconvenience included his distress at that suffered by his wife and children. So I think the outcome would've been much the same if Mr and Mrs D had been joint policyholders.

That distress and inconvenience went on for most of 2019 and included having to move out of their home and back in again in December. Overall, I find £750.00 fair and reasonable compensation for such distress and inconvenience.

### **my final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct British Gas Insurance Limited to pay Mr D £750.00 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 12 March 2020.

Christopher Gilbert  
**ombudsman**