

complaint

Ms K complains about poor customer service by British Gas Insurance Limited ("BGI") in respect of repairs it carried out to her fridge under her home emergency insurance policy.

background

Ms K has had a home emergency policy with BGI since 2001 which covered a number of events including breakdown of kitchen appliances. In 2003 she bought a fridge. In December 2017 her fridge stopped working and she called on BGI under her home emergency policy.

BGI's engineer initially thought the starter relay on the compressor was faulty. But when he replaced this, the fridge still didn't work. The engineer decided that the fridge was beyond economic repair. The only diagnosis/reasoning he wrote on the job sheet was:

"Compressor has been replaced previously. It has been connected up wrong."

Ms K's policy provided that BGI would repair an appliance, or it would provide a contribution towards a replacement appliance if it couldn't repair it, or it decided it would cost less to replace than repair. If the appliance was three or more years old its contribution would be 30%.

BGI offered Ms K a contribution of 30% towards the cost of a replacement fridge. She didn't accept this. She said only BGI engineers had worked on the fridge since she bought it. The latest engineer was saying on his job sheet that it was broken now because of previous faulty workmanship. So she thought BGI should pay the full cost of replacing the fridge.

BGI didn't agree. It said there was nothing in its records confirming incorrect wiring. It confirmed it would pay a 30% contribution towards a new appliance, and offered a goodwill payment of £30. Ms K didn't accept this and complained to us.

Our investigator recommended that this complaint should be upheld. From documentation in Ms K's possession it seemed the compressor had been replaced in 2011. The investigator thought it more likely than not that BGI had arranged this repair. She said this because:

- Ms K had held a home emergency policy with BGI since 2001, and it wouldn't make sense to pay a third party to repair the fridge when she was already paying BGI for this service; and
- BGI's work schedule for the time of the repair seemed to have entries relating to the fridge, and mentioned an engineer's name which also appeared on a parts invoice for the replacement compressor which Ms K held.

The issue then was whether the fridge was now irreparable because of a faulty repair in 2011. The only evidence on this was the comment written on the job sheet by BGI's engineer.

Ms K had asked another engineer to examine the fridge and say what was wrong with it. He reported that part of the fridge connected to the starter relay on the compressor was missing. Without this he couldn't say what was wrong with it, or whether it could be repaired.

The investigator said that while it might be unusual for it to take almost seven years for a faulty repair to stop a fridge from working, it wasn't impossible. On the basis of the BGI engineer's comment, she concluded that the current fault was the result of the 2011 repair.

The investigator recommended that in the circumstances it was fair and reasonable that BGI:

- make a 100% contribution for a like-for-like replacement of Ms K's fridge subject to the policy terms for such a replacement; and
- pay Ms K £200 as compensation for the trouble and upset BGI's service failures had caused her. In saying this, the investigator noted that Ms K had then been without a working fridge for six months.

Ms K accepted the investigator's recommendation. However BGI responded to say, in summary, that:

- looking again at its records, it thought the 2011 repair had been carried out by the manufacturer of the fridge;
- although its records showed there had been further repairs to the fridge since 2011, none of these related to the fault reported in 2011;
- it didn't think it was possible for the fridge to work properly for over seven years, and then develop a fault linked to the repairs carried out seven years before; and
- it had offered a 30% contribution for a replacement fridge, plus £30 goodwill gesture, in January 2018. So it didn't agree that the delay in Ms K replacing her fridge was its fault, or that it should pay her £200 compensation.

my findings

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

For the reasons the investigator mentioned, I think it's most likely that when her fridge broke down in 2011, Ms K contacted BGI and claimed on her BGI policy. Whether the repair was dealt with at the time by the manufacturer or another repairer, I conclude they were acting for BGI as its agent under the policy. So BGI is responsible for any faulty repair that was carried out at the time.

BGI doesn't think it's possible that the fridge could break down in 2017 because of a faulty repair in 2011, having performed properly for some seven years in the meantime. However I remind BGI that it's the evidence of BGI's own engineer that it suggesting this is what happened.

Ms K complained to BGI immediately its engineer condemned the fridge. But BGI seems to have made no effort ask its engineer to explain his diagnosis, or to arrange for another of its engineers to inspect the fridge and decide what was wrong with it and whether it was indeed beyond economic repair. This would have been possible because Ms K still has the fridge. So as a result of its own actions, BGI isn't now in a position to contradict the evidence of its own engineer.

Ms K made her own attempt to throw light on the issue. But the engineer she instructed couldn't diagnose what was wrong because a part was missing. I think it's most likely that it was removed by BGI's engineer when he was working on the fridge.

I don't think it was unreasonable for Ms K to delay replacing the fridge while she waited for this service to consider her complaint.

On the evidence available to me, I conclude that the fridge is now irreparable because of a faulty repair carried by BGI or on its behalf in 2011. I think it's fair and reasonable that BGI:

- make a 100% contribution for a like-for-like replacement of Ms K's fridge from its approved supplier subject to the policy terms for such a replacement. In accordance with the policy terms Ms K should be given the option of contributing towards an alternative model of her choice from the approved supplier; and
- pay Ms K £200 as compensation for the distress and inconvenience BGI's service failures have caused her.

my final decision

My decision is that I uphold this complaint, and order British Gas Insurance Limited to:

1. make a 100% contribution for a like-for-like replacement of Ms K's fridge from its approved supplier subject to the policy terms for such a replacement. In accordance with the policy terms Ms K should be given the option of contributing towards an alternative model of her choice from the approved supplier; and
2. pay Ms K £200 as compensation for the distress and inconvenience BGI's service failures have caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 20 March 2019.

Lennox Towers
ombudsman