

complaint

Mr A complains that British Gas Insurance Limited mishandled his claim on a home care insurance policy.

background

Mr A had a property which he rented to a tenant. When there was an electrical fault in the kitchen, he called British Gas for help. Its engineer said British Gas could not do a repair because there was substandard wiring. Mr A got another electrician to do a temporary repair and then some re-wiring. After he brought his complaint to us, British Gas offered to reimburse £118 for Mr A's electrician and to pay £50 for distress and inconvenience.

The adjudicator recommended that the complaint should be upheld in part. He thought that - in the end - British Gas had fairly applied a policy exclusion (7.1) relating to design faults. But the adjudicator thought that British Gas had caused Mr A distress and inconvenience by incorrectly saying that there was rubber cabling. The adjudicator recommended that British Gas should (in addition to what it had already offered) pay Mr A a further £50.

British Gas agrees with the adjudicator's opinion.

Mr A disagrees. He says, in summary, that - in its final response - British Gas did not mention general condition 7.

my findings

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

In view of what Mr A's electrician did later, I think the British Gas engineer could have done more to help Mr A. Mr A's electrician did a temporary fix to leave 2 sockets and the boiler working. This cost about £118. So I think British Gas could and should have done a similar temporary repair. Therefore I think it's fair and reasonable for British Gas to reimburse the £118. If it has not already paid him, then it should add interest at our usual rate.

Rather than cutting into walls and floors to trace the fault, Mr A's electrician did some re-wiring – at a further cost of about £740 plus VAT.

Mr A's electrician later reported no rubber-coated cabling. So I think British Gas was wrong to apply policy exclusion for rubber-coated cable.

I accept that – by these shortcomings in its service – British Gas caused Mr A some extra upset and put him to some extra trouble at an already difficult time for him.

But Mr A's electrician later said:

“The original fault... was either under kitchen floor or within the walls, therefore also taking into account the poor method of installation, it was decided to be cost effective to rewire one side of the kitchen power points”

I have underlined some of his words which I think support the British Gas engineer's note that the wiring had been sub-standard. And Mr A's electrician was talking about the kitchen wiring which gave rise to the fault.

I accept that the complaint was already with us before British Gas mentioned the general policy exclusion for design faults and existing faults.

But – in deciding what is a fair and reasonable remedy - I try to put Mr A in the financial position he would have been in if British Gas had properly applied the policy terms, including the exclusion for design and existing faults.

So I don't share Mr A's view that British Gas should apply some of the policy benefit of up to £1,000 which would otherwise have applied for opening up and investigating. And I don't think it would be fair and reasonable to order British Gas to contribute to the £740 plus VAT which Mr A says he paid his electrician.

Overall, I agree with the adjudicator that – in addition to the £50 already offered – British Gas should pay Mr A a further £50 for trouble and upset.

my final decision

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

1. if it has not already reimbursed £118.01, that sum plus simple interest at a yearly rate of 8% from 8 November 2014 to the date it pays him. If it decides it has to deduct tax from the interest element of my award, it shall send Mr A a tax deduction certificate when it pays him. He can then use that certificate to try to reclaim the tax, if he is entitled to do so;
2. if it has not already paid Mr A £50, that sum;
3. a further £50 for trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 September 2015.

Christopher Gilbert
ombudsman