

## **complaint**

Mr and Mrs G complain British Gas Insurance Limited (“British Gas”) caused them distress and inconvenience through its handling of a claim on their home emergency insurance policy for a leak in their property. They say, if British Gas had repaired the leak properly in the first place, they wouldn’t have had further issues over the following years impacting the use of their home.

## **background**

Around 15 June 2016, Mr and Mrs G reported a leak they’d identified to British Gas and the following day, British Gas attended to investigate and repair it. A certificate confirming the area was dry was issued around two months later. In between that time, Mr and Mrs G’s home insurance provider (I’ll call it “H”) arranged for the drying out and redecorating of the area as it seems that wasn’t covered under their home emergency policy.

On 10 March 2017, Mr and Mrs G say they noticed a second leak from the same area in their property and they reported it to British Gas and H. Between the date the second leak was identified and June 2017, Mr and Mrs G say they went back and forth with British Gas, H and their contractors to get the problem fixed and the resulting damage repaired. British Gas has said it attempted to repair the problem more than once during this time but the leak continued until it was fixed in May 2019.

A third leak was identified from the same area in February 2018. British Gas says it repaired the problem in March 2018. Mr and Mrs G have said they again went back and forth until June 2018 between British Gas and H to get the leak fixed and the further damage repaired. Mr and Mrs G have provided a sketch of the pipework to show where the leaks occurred and the repairs that were done.

Mr and Mrs G have explained they’re extremely unhappy with the impact this situation has had on their home life. They’ve said they were unable to use several main rooms in their home and were caused discomfort by the dust caused by the works and noise caused by the dryers. They’ve said they faced a great deal of inconvenience in dealing with the complaint and the works on their home. And they want £3000 compensation from British Gas to make up for this.

British Gas offered Mr and Mrs G £500 for the distress and inconvenience they’ve been through. It’s pointed out that the leaks occurred between six and eight months apart – and after dryness certificates were issued. So it thinks it did all it could to repair the problems and it couldn’t be sure the leaks were from the same area.

Mr and Mrs G remained unhappy, so they came to our service. Our investigator upheld the complaint and recommended British Gas pay £750. He said he thought the leaks were all linked to the same initial problem and he thought British Gas could’ve done more to prevent further problems. As the case wasn’t resolved, it was passed to me to reach a decision.

I issued a provisional decision on this complaint in July 2019. I upheld the complaint in summary because:

- From the evidence I’d been given – including a drawing by Mr G – I thought all three leaks had stemmed from the same place.

- I didn't think the second and third leaks were a continuation of the first as there was time between each – and the area was certified as dry between each one. But I thought the different problems were either caused by British Gas or were connected to the initial problem and could've been prevented by British Gas carrying out an effective and lasting repair.
- I thought there were occasions when British Gas took a long time to repair the leaks.
- Although I could see British Gas had attended Mr and Mrs G's property each time there was a leak, I thought this was the service they'd paid for and didn't make up for the problems they'd experienced.
- I thought the ongoing problems would've caused Mr and Mrs G discomfort and stopped them from using several rooms in their home. And I thought the visits and repairs would've been inconvenient for Mr and Mrs G. So I didn't think the £500 compensation British Gas had offered them was enough.
- I thought some of the delays Mr and Mrs G wanted British Gas to compensate them for were caused by other parties – for example H. And I didn't think it was appropriate for British Gas to compensate them for living *longer* in discomfort due to this.

Overall, based on everything I'd seen, I thought British Gas should pay Mr and Mrs G a total of £1,000 in compensation (including the £500 it'd already offered).

I asked both parties to make any further comments before I reached a final decision. British Gas said it didn't have any further comments to add. Mr and Mrs G said in summary they think the amount of compensation I'd suggested only covered the increase in their home insurance premium with H for two years. So they didn't think it was enough. They gave me one page of their home insurance renewal notices for November 2016, 2017, 2018 and 2019 to show this.

I contacted both parties in September 2019 to let them know I'd reconsidered things and planned to direct British Gas to pay Mr and Mrs G £1,500 in total as compensation for what had happened – taking into account what Mr and Mrs G had said.

In response, Mr and Mrs G said they thought it was clear their home insurance premiums increased with every claim they made after each leak. They also mentioned the delay they experienced in British Gas carrying out the repairs and that they didn't think it completed the repairs property. They thought £2,000 compensation would be a fairer amount. British Gas didn't respond with any further comments by the deadline given.

### **my findings**

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And I still think this complaint should be upheld for the reasons given in my provisional decision and follow up correspondence.

Mr and Mrs G have said they don't think £1,500 fairly compensates them for what they've been through – and the increase in insurance premiums on their home insurance policy. And I've considered their comments very carefully. I know Mr and Mrs G have said their insurance premiums have gone from £200 to £700 per year due to British Gas' actions. But I can't see that from the information they've given me.

I assume where Mr and Mrs G have referred to their policy initially costing them £200, they're referring to how much their home insurance cost them in 2015 (which they've been unable to show me). But I don't think it would be fair for British Gas to compensate them for their premium going up initially. I say this because Mr and Mrs G *did* initially have a leak in their property in 2016 which caused further damage to the surrounding area. And they chose to claim on their home insurance policy to get the drying out and redecoration work done. I think Mr and Mrs G would've needed to do this regardless of what later went wrong with British Gas – and I don't think it was responsible for the initial leak. So I think it's likely their insurance premium would've been affected anyway – even if British Gas hadn't done anything wrong.

I can see Mr and Mrs G's home insurance premiums did go up in 2017 and 2018 and dropped slightly from the new rate in 2019. But from the evidence Mr and Mrs G have given me, I can't say what amount their insurance premiums went up by because of British Gas not preventing further leaks in their property – and what would've been down to other events (for example, other changes to their policy or commercial price rises). So I'm not satisfied the total amount their premiums have increased by were *only* because of what went wrong with British Gas. In any event, I do think it's likely numerous claims on their home insurance policy would've had an effect on the yearly premium. So I think it's fair for British Gas to pay Mr and Mrs G a total of £1,500 in compensation to make up for things.

I appreciate Mr and Mrs G have pointed out British Gas caused delays to the repair work done – and each time it needed to fix a leak, it caused them inconvenience. But for the reasons given in my provisional decision and above, I think £1,500 fairly compensates them for this.

### **my final decision**

For the reasons I've set out above, it's my final decision that I uphold this complaint and direct British Gas Insurance Limited to pay Mr and Mrs G £1,500 in total as explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs G to accept or reject my decision before 8 November 2019.

Nadya Neve  
**ombudsman**