

complaint

Ms E complains about British Gas Insurance Limited ("British Gas") over a delay in fixing a leak in her home. She wants British Gas to pay for the damage she claimed under her British Gas HomeCare policy that was caused to her home by the leak lasting longer than it ought to have done.

background

I set out the background, and my preliminary views in a provisional decision issued in November 2019. That decision is attached to this.

In that provisional decision, I explained why I thought British Gas had failed to respond to the leak at Ms E's home in a reasonable time and that this had had a substantial impact on Ms E and her family. I also explained why I consider that this delay had likely exacerbated the damage sustained in Ms E's home from escape of water.

I considered that British Gas' proposal to split the cost of repairs with Ms E was fair, on the basis that a proportion of the damage would have been caused in any event, that it remained open to Ms E to claim on her home insurance, and because British Gas explicitly excluded covering damage caused by escape of water from its HomeCare policy.

I also considered that British Gas' offer of £500 compensation for distress and inconvenience was appropriate, given the level of disruption caused to Ms E and her family in the period before British Gas attended to fix the leak.

Both parties have had the opportunity to respond to my provisional view.

Both have provided submissions setting out that they disagree with my provisional decision.

British Gas has submitted that it does not consider the payment of £500 compensation for distress and inconvenience is fair and it submits that this should be halved, on the basis that British Gas has agreed to split the cost of repairs with Ms E, rather than pay them all in full.

Ms E submits that the damage caused to her home was significantly worse after a week of the water being turned off and on again. She therefore thinks that British Gas should pay for all the repairs which were necessary.

my findings

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

I appreciate the arguments put forward from both parties and can understand why they each disagree with my provisional view.

Ms E says that the damage clearly deteriorated over the course of the week, when the water was being turned off and on frequently as it was needed within the household. She said that the leak intensified over the course of the week and the damage therefore penetrated further into other rooms and floors.

I do not dispute this; however, my provisional view was based on the fact that a substantial leak had already taken place, causing damage to the flooring and board underneath the floor, which would have needed to be replaced in any event. I accept that the 'stop/start' nature of the leak will likely have caused some additional damage, and will likely have made the existing damage worse, but I do not think that it would be fair to require British Gas to pay for all repairs, as some replacement of flooring and repairs would have been required even if British Gas had attended immediately and identified and fixed the leak.

As a result, I think the offer from British Gas to split equally the cost of repairs is fair and reasonable.

Turning to British Gas' comments, I understand why it considers that if the repairs bill is to be split in half then the compensation payment should also be split in half. However I do not agree.

The rationale for splitting the cost of the repairs is that British Gas likely exacerbated the damage caused, but part of the damage was caused by the initial leak, which was not British Gas' fault.

The compensation payment is to reflect the distress and inconvenience suffered by Ms E, as a result of British Gas' failings. In this case, those failings are that British Gas did not attend to identify and fix the source of the leak for 7 days after it was first reported. During this time Ms E and her family had to turn the water off at the mains outlet when water was not needed, and when the water was on they had to endure the leak restarting, with the damage to their home getting worse each time. Ms E has explained that a family member requires frequent baths due to a medical condition and so I think that Ms E was caused substantial distress and inconvenience by not having ready access to water for a week.

That delay was due to British Gas not sending an engineer until 7 days later, and was not a responsibility shared with anyone else. On that basis I see no reason to split the responsibility for the compensation payment in half, and I remain of the view that £500 is an appropriate amount to reflect the inconvenience caused.

For these reasons, and for the reasons set out in my provisional decision, I uphold the complaint and adopt my provisional decision, as supplemented by these reasons, as my final decision. I understand that both parties will be disappointed by this decision but I hope that it clearly explains why I have reached it.

my final decision

For the reasons set out above, and in my provisional decision, I uphold Ms E's complaint and direct British Gas Insurance Ltd to pay to Ms E:

- 50% of her evidenced costs of repairs
- Interest on the above repair costs at a rate of 8% per year from the date the repairs were paid for up until the date of settlement; and
- £500 for her distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 19 January 2020.

Laura Garvin-Smith
ombudsman