

complaint

Mr T complains about British Gas Insurance Limited's handling of a claim under his Homecare insurance policy.

background

Mr T contacted British Gas on 16 March 2012 as there was a leak in his cellar. An engineer attended the same day and carried out a flow and dye test. The engineer believed that the leak might be coming from the soil vent pipe and suggested that a CCTV survey be carried out.

The CCTV survey was carried out on 21 March 2012 and British Gas said that it would contact Mr T once they had the results but that this could take up to seven days.

Whilst awaiting the results from British Gas, Mr T was contacted by his neighbour as water had begun to appear on their property. Mr T's neighbours informed him that a PH test had been carried out on the water by their home insurer and it was found to be fresh water.

Mr T contact his water supplier and it was found that the leak was on a shared supply pipe and was repaired free of charge.

Mr T subsequently received the survey results from British Gas which stated that there were defects on the drain that were causing the leak. The information provided said that the cost to repair this was more than the £1000 policy limit and requested that British Gas be given authorisation to contact Mr T's home insurer to cover the additional costs.

Mr T complained to British Gas, as the leak had been resolved by his water supplier and had nothing to do with the drains. Mr T felt that British Gas was attempting to make him pay for unnecessary work.

British Gas said that the CCTV survey had revealed a hole in the drain and a large displacement and had concluded that this was the cause of the leak. British Gas acknowledged that the leak had been incorrectly diagnosed and that had it been repaired at no cost to Mr T but felt that its engineers had acted correctly as it had found a hole in the drains.

Mr T then referred the matter to his water supplier for its comments. The water supplier said that the leak that was evident in the cellar wall was from the mains water supply pipe and that its engineer did not recall any defect in the drains that required urgent work. It also noted that part of the report from British Gas referred to a section of drains that was the responsibility of the water supplier.

Mr T subsequently brought his complaint to our service and following this, British Gas confirmed that the identified faults were not causing any issues and therefore repairs were not required. Due to this error it offered Mr T £100 in recognition of any distress and inconvenience caused.

Our adjudicator considered the offer of £100 to be fair, as British Gas had acknowledged that it had incorrectly diagnosed that the leak was being caused by the drains. She did not believe that any further payment was warranted as Mr T had not incurred any financial loss as a result of British Gas' error.

Mr T disagreed with the findings and requested an ombudsman's decision. Therefore, the matter has been referred to me.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Whilst it is clear that British Gas' diagnosis, that the fault in the drains was the cause of the leak reported on 16 March 2014, was incorrect, I do not believe that British Gas acted incorrectly or with the intention of causing Mr T any unnecessary financial cost.

My understanding is that the leak Mr T reported on 16 March 2012 was evident by water coming through the cellar wall and therefore its source was not easily identifiable. British Gas' engineer believed that the leak was coming from the soil vent pipe and arranged for a CCTV survey to be carried out which highlighted faults.

Given that British Gas was unaware that a leak on the water supply pipe had been identified by the water supplier or that this had resolved the leak in the cellar, I do not believe that it acted unreasonably by concluding that the faults it had identified on the drain were the cause of the leak. As such, I do not consider it acted unreasonably by notifying Mr T that the cost of the repairs to the drain would likely exceed the cover limit.

Mr T first notified British Gas that the leak had been resolved by the water supplier on 10 May 2012. When British Gas responded to his complaint on 1 June 2012, it acknowledged that it had incorrectly diagnosed the cause of the leak.

As Mr T has correctly pointed out, if the fault with the drain was not causing the leak, this work would be classified as preventative and would not be covered under his policy in any event. However, the evidence I have seen indicates that there is in fact a problem with the drain. I cannot therefore conclude that British Gas acted unreasonably by bringing this fault to Mr T's attention.

Turning to the question of what redress is appropriate for the incorrect diagnosis of the source of the leak, the primary role of this service is to investigate complaints involving financial loss. Although I can appreciate why Mr T was unhappy with the quotation provided to him, he did not incur any financial loss as a result of this matter.

I have considered the offer of compensation which British Gas has made. Having taken into account awards of compensation previously made by this service in cases sharing similar features, I do not consider the offer to be unreasonable.

my final decision

My final decision is I do not uphold this complaint.

I make no award against British Gas Insurance Limited, other than to endorse the £100 that it has already offered.

Christopher Tilson
ombudsman