

## **complaint**

Mrs K complains that when she called on British Gas Insurance Limited ("BGI") under her home emergency insurance policy, it failed promptly to find the source of a water leak from an upstairs bathroom, which resulted in damage to her property. She is represented in bringing this complaint by her son, Mr K.

## **background**

I issued a provisional decision this complaint on 28 March 2019, a copy of which is attached to, and forms part of, this decision.

Neither Mrs K nor BGI has responded to my provisional decision.

## **my findings**

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

As neither Mrs K nor BGI has provided any fresh information or evidence in response to my provisional decision, I find no basis to depart from my earlier conclusions.

## **my final decision**

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

1. reimburse Mrs K the £500 she paid her builder for the repairs to the ceiling and tiles in her downstairs toilet;
2. pay Mrs K interest at the annual rate of 8% simple on the amount in 1. above from the date she paid the builder for this work until settlement <sup>(1)</sup>; and
3. pay Mrs K compensation of £200, inclusive of the compensation it has previously offered, for the distress and inconvenience it caused her.

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

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- (1) If BGI considers that it's required by HM Revenue and Customs to withhold income tax from that interest, it should tell Mrs K how much it's taken off. It should also give Mrs K a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue and Customs if applicable.

## COPY OF MY PROVISIONAL DECISION OF 28 MARCH 2019

### **complaint**

Mrs K complains that when she called on British Gas Insurance Limited ("BGI") under her home emergency insurance policy, it failed promptly to find the source of a water leak from an upstairs bathroom, which resulted in damage to her property. She is represented in bringing this complaint by her son, Mr K.

### **background**

Mrs K owned a property which she let to tenants. She took out a home emergency policy for the property with BGI. In December 2017 she called on BGI regarding a loss of electricity on the ground floor. The electrician who attended told her that the cause was water penetration, and she needed a plumber to find the source of this.

BGI sent a plumber on 27 December 2017. He said the problem was failure of the grouting in an upstairs bathroom and advised Mrs K to repair this. On 10 January 2018, water damage caused part of the ceiling on the ground floor to collapse. A second BGI plumber attended and attempted a repair.

A third BGI plumber had to attend on 5 February 2018 because the leak was continuing. He found the leak was coming from the cistern in the upstairs bathroom. He pointed out that there was now a lot of damage to the property which needed to be addressed.

Mrs K employed a builder to repair the two bathrooms. He reported what he found, and the work he did, as follows:

*"Following an investigation a leaking toilet in upstairs bathroom was found. Toilet cistern to be cracked at rear. Owner complained that electrical works were at fault. The problem came from the cistern. The water had been leaking through the bathroom for some time. Around the toilet area and deep into the walls and floor and bathtub foundation. Rot found. This caused severe damage to the downstairs bathroom ceiling. The lights were tripped several times. Eventually light, ceiling and wall tiles were painted, replaced and fixed.*

*De-commission the existing upstairs bathroom and stripped tiles to dry out the area and stop further mould. Bathroom out of use. Left humidifier in for the week before installing sanitaryware. New boxing for the bathtub. Rehoused the sink. Tiled the walls and floor. Replaced and reset the radiator. Disposed of all rubbish."*

Mrs K complained to BGI about its failure to find the source of the leak when its first plumber attended. She said BGI should pay for the cost of the repairs and the loss of rent, stress and inconvenience she had suffered. BGI offered compensation of £30 for its delay in considering her complaint, which she didn't accept. She complained to us.

### **our investigator's view**

Our investigator recommended that this complaint should be upheld in part. Bearing in mind what Mrs K's builder reported he had found, as set out above, the investigator thought it was unlikely that all this damage occurred because of a few weeks delay in repairing the cistern.

It seemed more likely that the extensive repairs would always have been necessary even if the leak had been correctly diagnosed and repaired on 27 December 2017. However, he thought it more likely than not that the damage caused to the downstairs toilet ceiling could've been avoided with the correct diagnosis and a timely repair.

Mrs K also complained there had been delays by the builder in carrying out the work. However he couldn't reasonably say BGI were liable for these delays as it had no part in choosing him.

He recommended BGI should pay for the repairs to the downstairs toilet ceiling and tiles as this damage could've been avoided by a correct diagnosis and repair. He hadn't seen any evidence as to what the cost of this had been.

He also thought it would've been good customer service for BGI to have made it clear much earlier to Mrs K what it thought it was liable for and why. So he said BGI should pay Mrs K £150 compensation for the inconvenience caused by failing to provide her with a response to her claim and complaint.

Neither BGI nor Mrs K accepted the investigator's recommendation. BGI said it didn't cause the leak. It had been confirmed the leak was present for some time before the incident, and Mrs K hadn't rectified the bath seals which it thought contributed towards the ceiling damage.

Mr K responded to say, in summary, that not only the downstairs ceiling was damaged by the water – the upstairs bathroom and its floor had to be dried out as well. He didn't think £150 was sufficient compensation for the effects of BGI's poor service.

### **my provisional findings**

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

The policy terms and conditions make it clear that BGI isn't liable for any damage to the property unless it caused it. The relevant policy wording is as follows:

*"We're not responsible for any loss of or damage to, or cleaning of property, furniture or fixtures as a result of your boiler, appliance or system breaking or failing unless we caused it. For example damage caused by water leaks."*

In this case, Mrs K's builder made it clear in the report quoted above that water had been leaking from the faulty cistern for some time – so long in fact that he found rot. So I agree with the investigator that the majority of the damage to Mrs K's property occurred before the faulty diagnosis by BGI's plumber on 27 December 2017, and would have had to be repaired anyway. So I can't reasonably say that BGI should reimburse this.

The investigator thought that if the plumber had correctly diagnosed the cause of the leak on 27 December 2017, the repairs to the downstairs ceiling and refixing of the tiles wouldn't have been needed. So BGI should pay for that part of the work. BGI disagreed for the reasons I've mentioned above.

I've considered this carefully. The ceiling didn't collapse until 10 January 2018 – some 14 days after the plumber's visit. On balance I think it's more likely than not that the ceiling could have been saved if a correct diagnosis had been made on 27 December 2017.

Mr K has now produced confirmation from Mrs K's builder that the cost of repairing the downstairs ceiling, and refixing the downstairs tiles was £500. So I think it's reasonable that BGI should reimburse this to Mrs K, with interest from the date she paid the builder for this work.

Mrs K clearly suffered significant distress and inconvenience because of all the work that had to be done in repairing/rebuilding the property. However, as I have said, I cannot say that BGI was responsible for most of the work that had to be done. I do think it was responsible for the distress she suffered because:

- it took BGI from 27 December 2017 until 5 February 2018, and several visits by its plumbers, to identify the cause of the leak and tell her what needed to be done, during which time the leak continued; and
- when she complained, it failed to respond to her complaint in a timely manner.

I think fair compensation for this is £200, inclusive of the compensation BGI has previously offered.

**my provisional decision**

For the reasons I've explained, but subject to any further comments and evidence I receive from either Mrs K or from BGI by 28 April 2019, I intend to uphold this complaint in part. I intend to order British Gas Insurance Limited to:

1. reimburse Mrs K the £500 she paid her builder for the repairs to the ceiling and tiles in her downstairs toilet;
2. pay Mrs K interest at the annual rate of 8% simple on the amount in 1. above from the date she paid the builder for this work until settlement (1); and
3. pay Mrs K compensation of £200, inclusive of the compensation it has previously offered, for the distress and inconvenience it caused her.

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