

complaint

Mrs G complains that British Gas Insurance Limited is responsible for poor service in connection with a home emergency insurance policy.

background

Mrs G lives with her husband and two school-age children, one of whom has diabetes and chronic fatigue syndrome.

Mrs G had a British Gas HomeCare policy. Where I refer to British Gas I refer to the insurance company of that name and I include engineers and others for whose actions I hold that company responsible.

During a visit to fit a new gas meter, a meter engineer suspected a gas leak. On Thursday 17 January 2019 British Gas confirmed a gas leak and capped off the supply. This left Mrs G and her family – during a period of cold weather - with no gas for heating, hot water or cooking.

Mrs G complained that British Gas – with poor communication and delays – was mishandling the restoration of the gas supply. British Gas restored the gas supply on Thursday 24 January. In late January or early February, Mrs G sent British Gas a letter of complaint and a chronology. She complained that British Gas should pay her £1,585.74 for hotels, food, travel, time off work and compensation. Her letter enclosed copies of hotel bills and a payment card slip.

In a final response letter, British Gas said it was sending a cheque for £330.00.

our investigator's opinion

Our investigator recommended that the complaint should be upheld. He didn't think that British Gas met its obligations under the policy by carrying out repairs in a reasonable time frame. As a result of this, he thought British Gas should consider the costs Mrs G had incurred as a result of the repairs taking longer than they should have.

Food costs would be higher, due to not being at home. So British Gas should pay Mrs G £10.00 per day per person, a total of £200.00 over the five days she was not at home. For the inconvenience of having to find alternate accommodation and to cover the extra travel expenses, the compensation (of £330.00) should be increased to £600.00. The investigator recommended that British Gas should:

1. reimburse hotel costs (upon provision of receipts) and
2. pay £200.00 for additional food costs and
3. pay £600.00 total compensation.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mrs G and to British Gas on 16 August 2019. I summarise my findings:

I'd identified times when British Gas didn't give satisfactory service or meet Mrs G's expectations. But, for me, the crucial point was whether British Gas did the repair within a reasonable time. I keep in mind - as well as the needs of Mrs G and her family - the nature and extent of the repair.

British Gas got a grip on the problem on 22 January and resolved it on 24 January. And I thought that shows that British Gas could and should have got a grip on the problem on Friday 18 January and resolved it on Monday 21 January. So I was minded that British Gas took about three days longer than a reasonable time to do the repair.

Therefore I was minded to find it fair and reasonable to direct British Gas to reimburse Mrs G for the hotel accommodation for the three nights of 21, 22 and 23 January. The invoices show that these costs were a total of £530.00. As she'd been out of pocket since that time, I also intended to direct British Gas to add interest at our usual rate.

By the shortcomings I'd identified in its service, British Gas caused Mrs G distress and inconvenience including concern for her family. I didn't think £330.00 was enough to compensate for this. I was minded to find £450.00 fair and reasonable.

Subject to any further information from Mrs G or from British Gas, my provisional decision was that I was minded to uphold this complaint in part. I intended to direct British Gas Insurance Limited to pay Mrs G:

1. £530.00 in reimbursement of hotel accommodation; and
2. simple interest on £530.00 at a yearly rate of 8% from 23 January 2019 to the date of reimbursement. If British Gas considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it must tell Mrs G how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate; and
3. (in addition to its payment of £330.00) £120.00 for distress and inconvenience.

Mrs G agrees with the provisional decision.

British Gas disagrees. It says that it isn't in a position to provide any more information.

my 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 included the following:

“Reasonable timescales

*We'll carry out any **repairs** or visits you're entitled to within a reasonable time, unless something beyond our control makes that impossible – in which case we'll let you know as soon as possible and give you another time when we can visit”*

So (unless prevented by something beyond its control) British Gas had to do repairs within a reasonable time. I think that means a reasonable time taking into account all the relevant circumstances including the needs of the policyholder's family and the nature of the repair.

British Gas has pointed out that the policy only covered alternative accommodation and travel costs (limited to up to £500.00) in the unlikely event of the boiler catching fire or exploding, making the home unfit to live in.

The policy terms also included the following:

“Any other loss or damage

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.”

But I find it fair and reasonable in principle to direct British Gas to pay compensation for financial loss or for distress and inconvenience caused by any failure to do a repair within a reasonable time.

The engineer who capped the supply on 17 January identified a leak under the hallway floor. He said that a re-running of the gas pipework would be required.

I accept Mrs G's statement that he said that new piping would be run outside the house from the gas meter, up the front of the house to underneath a bedroom window, around the side of the house, across the back and into the kitchen to connect with the boiler there. This would require special equipment and engineers qualified to work at height. It would take at least 8 hours to complete.

The engineer made an appointment for someone else to visit the next day. I accept Mrs G's statement that the engineer led her to expect that the problem would be fixed on 18 January.

I think that there was poor communication within British Gas and with Mrs G. So when the engineer visited on the afternoon of Friday 18 January, he wasn't expecting or equipped for a re-run job that he identified as an all-day job. From what Mrs G has said, the engineer was unable to hide his frustration.

I don't think British Gas gave satisfactory service or met Mrs G's expectations. Mrs G and her family remained at home without gas.

On Saturday 19 January Mrs G and her family went to a hotel for breakfast. I accept Mrs G's statement that British Gas led her to expect that the problem would be fixed on Monday 21 January. Mrs G and her family stayed at the hotel overnight on Saturday and Sunday nights.

On Monday 21 January, Mrs G was expecting an engineer to visit. Despite making telephone calls to check that an engineer was on the way, no engineer visited. And that evening Mrs G and her husband had frustrating telephone conversations with British Gas.

On Tuesday 22 January, at around 8.00am British Gas telephoned Mrs G. I accept her statement that it didn't say when it would fix the problem. Later that day she and an advice worker contacted British Gas again. So again on 21 and 22 January I don't think British Gas gave satisfactory service or met Mrs G's expectations.

Mrs G couldn't get further accommodation at the first hotel. So she booked into a sister hotel a few miles away. The credit card slip shows expenditure of about £86.00 and I accept that was for an evening meal.

I accept Mrs G's statement that on 23 January, British Gas told her that engineers from the correct department had been booked for seven hours on 24 January. So – after another night in the second hotel – the engineers re-ran the gas supply on 24 January.

I've identified times when British Gas didn't give satisfactory service or meet Mrs G's expectations. But, for me, the crucial point is whether British Gas did the repair within a reasonable time. I keep in mind - as well as the needs of Mrs G and her family - the nature and extent of the repair.

I find that (although it still didn't communicate well with Mrs G) British Gas got a grip on the problem on 22 January and resolved it on 24 January. And I think that shows that British Gas could and should have got a grip on the problem on Friday 18 January and resolved it on Monday 21 January. So I find that British Gas took about three days longer than a reasonable time to do the repair.

Therefore I find it fair and reasonable to direct British Gas to reimburse Mrs G for the hotel accommodation for the three nights of 21, 22 and 23 January. The invoices show that these costs were a total of £530.00. As she's been out of pocket since that time, I will also direct British Gas to add interest at our usual rate.

As the family would have incurred food costs anyway, I don't find it fair to direct British Gas to reimburse the cost of the meal on 22 January – or any other food costs. And Mrs G hasn't provided enough details to show a loss of earnings or of travel expenses.

But I don't doubt that – by the shortcomings I've identified in its service– British Gas caused Mrs G distress and inconvenience including concern for her family. I don't think £330.00 was enough to compensate for this. I'm minded to find £450.00 fair and reasonable.

my final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct British Gas Insurance Limited to pay Mrs G:

1. £530.00 in reimbursement of hotel accommodation; and
2. simple interest on £530.00 at a yearly rate of 8% from 23 January 2019 to the date of reimbursement. If British Gas considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it must tell Mrs G how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate; and
3. (in addition to its payment of £330.00) £120.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 3 October 2019.

Christopher Gilbert
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