

## **complaint**

Mr H complains about the way British Gas Services Limited handled a claim under his home care policy.

## **background**

Mr H had a home care policy with British Gas for two flats he rented out. On 5 February 2017, he contacted it to make a claim because the boiler wasn't working properly, affecting the central heating and hot water in both flats.

British Gas sent out an engineer who said that, when he left, the boiler was working properly. But Mr H contacted it nine days later to say the hot water hadn't been working since the last visit. The engineer returned and reported that the boiler was working, but that he had replaced a faulty valve. Mr H then called again two days later. The engineer returned on 16 February and said the valve was working, but the water wasn't circulating through the cylinder. So, he advised Mr H to have the system re-flushed.

Mr H complained to British Gas on 16 February because he was unhappy his tenants would be without hot water until the re-flush, which had been booked in for 28 February. And after the system was re-flushed, Mr H reported that the system still wasn't working.

But British Gas didn't look into Mr H's complaint until 24 March. It sent an engineer on 31 March, when Mr H explained he'd had the system looked at by a third-party plumber, who'd told him the system needed a new valve. The engineer replaced a three-point port valve, which, apparently, resolved the problem.

Mr H later complained to British Gas. He said there'd been continuing problems with the central heating and hot water since he'd made the claim and that the tenants had moved out of both flats. He told British Gas he wanted it to pay him £207.76 (for rent he'd had to refund the tenants for moving out of the second flat early), £559.80 (the fees he'd paid to the estate agent for finding new tenants for both flats), £2,060.38 for lost rent and £133.38 for council tax (for both flats).

British Gas said Mr H had told the engineer he'd already had tenants lined up to move into both flats and so it refused to pay for any lost rent, the agent's fee or the council tax. It maintained its engineers had attended when asked and undertaken the necessary repairs, but it accepted there'd been a delay in resolving the claim and offered to pay him the £942.85 he'd previously paid to have the system flushed.

Mr H wasn't satisfied and so he complained to this service. He explained it wasn't until the mechanical part of the valve was replaced on 31 March that the problem was resolved and that British Gas had insisted the boiler needed a re-flush, even though this had only been done 18 months before. He said he wanted British Gas to pay him for lost rent for each flat, the cost of finding new tenants and the council tax he paid during the period the flats were unoccupied.

## **my provisional findings**

British Gas had argued that much of what Mr H was claiming amounted to 'consequential loss', which isn't covered under the policy. While I agreed the policy doesn't provide cover for the things Mr H was claiming for, I explained that if the losses arose because of the way

the claim was handled or because of an unreasonable delay in repairing the boiler, then British Gas might be responsible for the losses.

The policy requires British Gas to carry out repairs '*within a reasonable time*'. I noted British Gas had sent engineers out on five separate occasions between 5 February and 31 March, when the boiler was eventually repaired in accordance with the recommendation from a third-party plumber. I was satisfied that, up to that point, British Gas' engineer had failed to diagnose the problem and that this failure, and its failure to respond to Mr H's complaint on 16 February, extended the period the boiler wasn't working.

However, the tenant in the first flat had already moved out by the time Mr H had made the claim, so I said British Gas wasn't responsible for the fact that tenant moved out. Mr H had explained the new tenants had been due to move into the first flat on 1 February but didn't move in because of the problems with the heating and hot water. Again, I said I couldn't hold British Gas responsible for this because it happened before Mr H made the claim.

Mr H had explained the tenant moved out of second flat on 16 February, having been due to move out on 28 February (as this was the end of the tenancy agreement). I didn't think British Gas could fairly be held responsible for the fact the tenant had moved out early, because it was only eleven days after Mr H had made the claim. Even though British Gas had failed to correctly diagnose the problem with the boiler by then, I didn't consider its actions up to that point were unreasonable, as claims of this nature can sometimes take a few attempts to resolve. So, I didn't think it needed to reimburse Mr H for the rent he refunded to the tenant in the second flat.

However, the new tenant had been due to move into the second flat on 28 February and, having considered the circumstances and the nature of the problem, I did think British Gas could reasonably have been expected to have fixed the boiler by this time. I was satisfied this failure resulted in Mr H losing those tenants. Consequently, I thought it should pay the fee he paid the estate agent to find new tenants for the second flat, which was £286.20.

Mr H accepted the flats became habitable once the boiler was fixed, but he argued it took time to find new tenants. I explained I couldn't fairly make British Gas compensate Mr H for the entire period the second flat was unoccupied, as the new tenant didn't move in until August and there may have been other factors involved. But I was satisfied it should pay for lost rent for the period between 28 February and 31 March, and for one month after the boiler was fixed (up to 30 April), which I considered would be a reasonable time in which to find new tenants. I was also satisfied it should reimburse the council tax Mr H was required to pay from 28 February to 30 April, plus interest. And, based on the evidence Mr H has submitted, I accepted the rent on the second flat was £795 per month and the council tax was £3.42 per day.

Finally, I was satisfied that £100 compensation for distress and inconvenience was fair and reasonable in all the circumstances.

## **developments**

British Gas didn't respond to my provisional decision, but Mr H made some additional comments. He explained the problems with the central heating system began in 2015 and that after the power-flush in 2015, there were intermittent problems which became more frequent in November 2016. The tenant from the first flat contacted British Gas in December 2016 and Mr H served notice on him in December (because of the constant

phone calls regarding the central heating). Mr H explained he took over the handling of the problem in January and had the system looked at by an independent plumber (whose recommendations British Gas ignored). He said he attended the flat meet with British Gas on several occasions and that British Gas had failed to attend some of the appointments.

Responding to Mr H's further comments, I asked him for some evidence in support of his suggestion that the claim began before 5 February 2017, including the dates his tenant had contacted British Gas and the date he first contacted British Gas. Mr H was unable to provide this information and eventually said he wanted to draw his complaint to an end and 'accept whatever the Ombudsmen decides'.

### **my findings**

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

British Gas hasn't responded to my request for further information about the start of the claim, and Mr H has said he wants to close his complaint, so I will base my findings on the information I do have. The available evidence shows British Gas attended on 11 January 2017 and, before that, the last attendance was in June 2015. I don't know for sure that the attendance on 11 January 2017 represented the start of the claim but, in the absence of satisfactory a response to my enquiries from British Gas, I will treat it as such for the purposes of this complaint.

I've stated above that the tenant in the first flat had already moved out by the time Mr H made the claim, and the new information doesn't change my finding that British Gas isn't responsible for the fact the tenant moved out. I accept the were issues with the boiler which dated back to 2015, but I haven't seen any evidence that Mr H or the tenant contacted British Gas in relation to this claim before the tenant moved out in December 2016.

Mr H has said the tenants in the second flat didn't move in because of the hot water and central heating problems, and I've previously said I couldn't hold British Gas responsible for this because they'd been due to move in before Mr H made the claim. The fact British Gas attended on 11 January and this is before the date the tenants had been due to move in is relevant information that I haven't previously considered. But I've thought about whether it alters the outcome of the complaint and I don't think it does. That's because I don't think the time that had elapsed between 11 January and 1 February (when the tenants had been due to move in) represents an unreasonable delay, and I don't think British Gas can fairly be held responsible for the tenants' failure to move in at that point. Especially as there's no evidence of Mr H having called British Gas between 11 January and 5 February. For the same reasons, I maintain my view that British Gas wasn't responsible for the tenants having moved out of the second flat on 16 February.

For the reasons outlined above, the findings in my final decision are the same as the findings in my provisional decision.

### **my final decision**

I uphold this complaint and direct British Gas Insurance Limited to pay Mr H:

- £286.20 for the finder's fee for the second flat. This is to include a payment of 8% simple interest from the date Mr H incurred the expense to the date it makes the settlement.
- £795 for lost rent during March. This is to include a payment of 8% simple interest from the dates the rental payments had been due until the date it makes the settlement.
- £795 for lost rent for one month after the boiler was fixed. This is to include a payment of 8% simple interest from the date the rental payments had been due to the date it makes the settlement.
- £208.62 for council tax he had to pay for the second flat. This is to include a payment of 8% simple interest from the date he incurred the expense to the date it makes the settlement.
- £100 compensation. The compensation is to be paid within 28 days of the date on which we tell British Gas Insurance Limited Mr H accepts my final decision (if he does). If it pays later than this then interest\* will have to be added to the unpaid amount from the date of my final decision until settlement is made.

\* If HM Revenue & Customs requires British Gas Insurance Limited to take off tax from this interest, British Gas Insurance Limited must give Mr H a certificate showing how much tax it's taken off if he asks for one. He may then be able to reclaim the tax from the tax authorities if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 December 2019.

Carolyn Bonnell  
**ombudsman**