

complaint

Mr T complains about British Gas Insurance Limited's decision to decline a claim under his 'Home Electrical' insurance policy.

The circumstances and background to this complaint were set out in my provisional decision in November 2013, as follows:

"background

In November 2011, Mr T contacted British Gas requesting to add Home Electrical cover to his existing insurance policy. The cover was added but Mr T was unable to listen to the full terms and conditions of the policy over the phone. It was instead agreed that the terms and conditions would be sent to Mr T in the post.

Mr T contacted British Gas later the same month to report a problem with two of the plug sockets in his home. An electrician attended on the same day. Mr T says this engineer told him he did not have time to carry out the repair and he thought the work would not be covered under the policy in any event.

A second engineer subsequently concluded that the fault was not covered under the terms and conditions of Mr T's policy because the existing wiring at Mr T's property consisted of vulcanised rubber cables and a complete re-wire of the property was required.

British Gas then provided Mr T with a quotation to upgrade the wiring within his home.

Unhappy, Mr T complained to British Gas and requested a further engineer's opinion. In early December 2011, a third engineer attended and confirmed the previous diagnosis.

As Mr T remained dissatisfied, he brought his complaint to the attention of this service for consideration.

Our adjudicator considered Mr T's complaint and initially concluded that British Gas had made no error in declining the claim. This was because, during the telephone call when the 'Home Electrical' cover was purchased, Mr T did not give British Gas the opportunity to outline the policy exclusions and Mr T instead requested that the information be sent to him by post.

However, following our involvement, British Gas offered to refund Mr T the premiums paid for the 'Home Electrical' cover, a total of £28.28.

Mr T did not accept British Gas' offer and says his private engineer resolved the fault, without having to re-wire his property. The private repair cost Mr T £132 and Mr T is seeking reimbursement of this amount, together with compensation for the seven months he was without electricity in part of his property.

Our adjudicator subsequently revised her opinion and recommended that British Gas reimburse Mr T for the cost he incurred in having the electrical fault repaired, upon submission of an invoice. Our adjudicator also recommended that British Gas should pay Mr T £100 compensation for the distress and inconvenience he suffered. British Gas did not accept these recommendations.

As our adjudicator was unable to resolve the complaint to the satisfaction of both parties, the matter has now been referred to me for final determination.

my provisional findings

I have considered all of the evidence and arguments from the outset, in order to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I do not consider that Mr T's complaint should be upheld.

Insurance policies do not provide cover for every eventuality and British Gas' obligations to Mr T are limited by the terms, conditions and exclusions which are set out within the policy documentation.

In particular, Mr T's policy excludes:

“Repairing or replacing rubber or lead wiring”.

Therefore, regardless of whether or not Mr T's electrical system required re-wiring in order to restore the supply, the work carried out by his private engineer is not covered under the terms and conditions of Mr T's policy with British Gas.

During the telephone call when the 'Home Electrical' policy was purchased, Mr T made it clear that he did not wish to have the policy exclusions outlined to him and that the documentation should be sent to him by post.

A second telephone call took place the following day but the policy had already been set up at this point and the purpose of the call related to queries about the price of the policy, rather than the features of the product. Mr T has also made reference to a third telephone call but British Gas has been unable to locate any record of this.

I understand Mr T says he did not receive the policy terms and conditions from British Gas. Whilst I see no reason to doubt what Mr T has told us in this regard, British Gas has provided evidence that the documentation was sent and it would not be fair or reasonable to hold British Gas responsible for any failings or delays in the postal service. Furthermore, we would generally consider it would be reasonable for a policyholder to contact an insurer again if they have not received documentation about a product which has been purchased.

For these reasons, I do not consider British Gas acted unfairly or unreasonably or made an error by failing to ask Mr T about the wiring in his home during the telephone call when the policy was sold.

Given that Mr T's property contains rubber wiring, which is excluded under the policy, it seems unlikely that he would ever have been in a position to obtain a benefit under the 'Home Electrical' policy. British Gas has acknowledged this and has offered to refund Mr T the premiums paid for the policy.

Whilst I appreciate my findings will come as a disappointment to Mr T, I consider this represents a fair and reasonable resolution to the complaint.

As a final point, I note British Gas has submitted that the electrical fault could not have developed between the date of the purchase and the date the claim was reported. However,

as Mr T's claim is not covered under his policy based on the exclusion outlined above, it is not necessary for me to comment any further on this point.

my provisional decision

It is my provisional decision that I do not uphold this complaint. I am currently minded to make no award against British Gas Insurance Limited, other than to endorse the offer it has already made to refund Mr T £28.28, being the premiums paid for the 'Home Electrical' policy.

I now invite both parties to provide any further submissions they may wish to make, in writing within one month, after which I will issue my final decision, or further directions."

developments

British Gas acknowledged receipt of my provisional decision and said it had no further comments to add.

Mr T responded to my provisional decision and said British Gas' engineer did not attempt to locate or repair the electrical fault, but was only interested in providing a quotation for carrying out remedial work. Mr T also said he would like British Gas to cancel his policy, because the policy does not cover any electrical work and the policy therefore has no value.

my findings

Whilst I appreciate Mr T is disappointed with my provisional decision, I do not consider there are any reasonable grounds upon which I could depart from the findings I have set out above.

The policy held by Mr T does not provide cover for the type of wiring which Mr T has in his property and, therefore, British Gas had no obligation to carry out a repair.

If Mr T wishes to cancel his policy, then he will need to contact British Gas directly to arrange for this.

my final decision

My final decision is that I do not uphold this complaint.

I make no award against British Gas Insurance Limited, other than to endorse the offer it has already made to refund Mr T the premiums of £28.28 paid for the 'Home Electrical' policy.

Christopher Tilson
ombudsman