

## **complaint**

Miss S complains about how British Gas Insurance Limited (BG) dealt with her claim under her home care insurance policy. My references to BG include its agents.

## **background**

On 20 December Miss S told BG her boiler wasn't working. When BG's engineer attended on 21 December he asked if she had a leak as the boiler pressure was low. Miss S didn't think there was a leak and the engineer suggested the low pressure may be due to a new bathroom radiator although she told him the radiator had been fitted three months earlier. The engineer topped up the boiler and left.

The next day Miss S noticed water staining on her living room ceiling and reported the boiler wasn't working again. Miss S said when BG's engineer returned she showed him the water stain and he said he wouldn't be able to find the leak and needed a specialist engineer.

Later that day, both engineers told Miss S they weren't able to take up carpets. They asked her to arrange for her carpet fitter to do this and said her policy would cover the cost. The carpet fitter lifted the carpets on 23 December and Miss S called BG to say the engineer could access the leak. BG said it would call back but it didn't and she didn't hear from BG until 28 December when she called it. Another engineer attended on 30 December and found and repaired two separate leaks. She says the engineer told her the pipes had corroded.

When Miss S called BG on 31 December she was told its engineers routinely took up carpets when tracing a leak and her policy gave cover to £1,000 for tracing and accessing a leak. BG said a complaint would be raised for that issue but she didn't hear further.

Miss S is very unhappy about the time it took BG to find and repair the leak. She was left without heating and hot water for about ten days over Christmas when the weather was particularly cold. She'd told BG about her health problems when she took out the policy and she had to stay with her parents to stop her health deteriorating further from the cold damp conditions.

Also, Miss S had just finished the renovation of her house and the water damage (which she evidenced with photos) meant she had to redecorate some areas. She wants BG to pay the redecorating costs as she says the damage wouldn't have been so great if BG had identified the leaks earlier. She also wants compensation for five days additional annual leave from work she bought for the unplanned days she needed to be at home due to BG's actions and her distress and inconvenience. She also wants the £60 policy excess refunded.

BG said its engineers had found two nails had been hammered through two different pipes under the floorboards which it thought Miss S' carpet fitter had done when he fitted the carpets a few days before its engineer first attended. BG said it could have charged Miss S for the leak repair as the policy didn't cover damage caused by a third party. BG accepted it had delayed in repairing the leaks and paid Miss S £50 compensation.

Our adjudicator thought BG should pay Miss S the costs she incurred in taking up and relaying her carpets and redecorating her property, subject to her providing evidence of those costs, plus interest. It should also pay £100 compensation for her distress and inconvenience.

BG didn't agree and wanted an ombudsman's decision. Miss S wanted BG to reimburse the cost of her buying additional annual leave.

### **my provisional findings**

I made a provisional decision explaining why I was intending to uphold this complaint and say BG must pay the tradesmen's costs Miss S incurred as detailed below and £400 compensation in total for her distress and inconvenience. I said:

'Miss S' policy covers repairing a leak and up to £1,000 for getting access and making good for each repair.

BG says the policy doesn't cover damage caused by a third party. But there's no evidence from the engineer's work records that they found nails in the pipes. Also, the policy says *'if anyone other than us carries out any work on your boiler, appliance or system and damages it, your cover doesn't include putting that right'*. So even if the carpet fitter did cause the damage he wasn't carrying out work on the system and I don't think BG can fairly apply that exclusion. I think Miss S' claim for leak repair was covered under her policy.

It took BG ten days to repair the leak/s and that's an unreasonable timescale. It should have resolved the problem probably on 22 December or 23 December at the latest. BG accepts there was a delay in its engineer doing the repair.

BG's delay meant water was leaking for much longer than it should have been. It's possible there would have been some damage from when the leaks first happened but I think BG's delay meant significant avoidable damage was caused to Miss S' property. Miss S has sent us photos of the water damage. It's highly likely the leak/s caused the damage which BG hasn't disputed.

As I think BG's delay caused much of the damage it's fair and reasonable for BG to pay the costs Miss S incurred in repairing the water damage. Miss S has listed the following costs which aren't excessive:

- Carpets and underlay being taken up and sections of underlay replaced – £120
- Damp/stain treatments and additional paint – £83.50
- Redecoration of living room and dining room (wallpapering and repainting) (two days' work for the decorator) – £240

The policy covers the carpet cost anyway as the work was for access to the leak and making good after the leak repair. Miss S will need to give evidence to BG that she made the above payments.

It's clear that BG's failure to repair the leaks within a reasonable timeframe caused Miss S considerable distress and inconvenience. She was without heating and hot water for ten days. As she was unable to move into her property over Christmas, as planned, she says that had a knock on effect in giving up her rented accommodation. She had to remove black mould from the property caused by the water damage which she says could have aggravated her illness (although there's no medical evidence it did). She also had to take time off work to deal with the damage caused and Miss S has evidenced that she bought five days additional annual leave at just under £100 each day.

Miss S understood that our adjudicator recommended BG pay her the annual leave she had to buy, but he didn't recommend that. We don't usually award compensation based on cost of lost holiday or the equivalent as here. And even if BG repaired the leak as quickly as I think it should have done Miss S would have had to buy two days. But she did have to buy more annual leave than she would have done if BG hadn't delayed. Looking at the overall level of her distress and inconvenience I think it's reasonable for BG to pay Miss S £400 compensation, inclusive of the £50 it's already paid.

There's no basis for me to say that BG should refund the excess as Miss S asked. The excess is payable on a claim and eventually BG did a successful repair under the policy'.

### **responses to my provisional decision**

Miss S accepted. BG said it had no comments except that £400 compensation was 'extreme'.

### **my findings**

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

BG hasn't given any reason why it thinks £400 is extreme in Miss S' particular circumstances. I make compensation awards based on the individual facts of the case and for the reasons I've given in my provisional findings I think £400 is a reasonable amount given Miss S' circumstances.

BG has no further comment on why it shouldn't pay the tradesmen's costs. So for the reasons in my provisional findings it must pay those costs Miss S incurred in taking up and relaying her carpets and redecorating her property (detailed above), subject to her providing evidence of those costs. BG must pay interest as detailed below.

### **my final decision**

I uphold this complaint.

British Gas Insurance Limited must pay:

- the tradesmen's costs Miss S incurred in taking up and relaying her carpets and redecorating her property (detailed above), subject to her providing evidence of those costs. Interest\* must be added at 8% a year simple from the date she made the payments to the date of settlement, and
- £400 compensation (inclusive of the £50 it's already paid) for her distress and inconvenience.

British Gas Insurance Limited must pay the remaining compensation with 28 days of the date we tell it Miss S accepts my final decision. It must pay the above tradesmen's costs within 28 days of Miss S providing it with evidence of those costs.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 11 June 2018.

Nicola Sisk  
**ombudsman**

\*If British Gas Insurance Limited considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Miss S how much it's taken off. It should also give Miss S a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.