

complaint

Mrs K's complaint is about the handling of a claim under her Home Electrical Cover insurance policy with British Gas Insurance Limited.

The parties will see that I've changed the 'respondent' from British Gas Services Limited to British Gas Insurance Limited. This is because we have no jurisdiction over British Gas Services Limited for a complaint about the handling of the insurance policy; it's only an insurance intermediary, not an insurer.

This is an important legal technicality but it does not affect the outcome of the case and as British Gas Services Limited responded to the complaint on behalf of British Gas Insurance Limited, there's no need for it to review the matter again or issue a further final response.

background

In December 2018, Mrs K made a claim under her policy when her electrics became faulty – I understand the power in her property kept tripping off and would not stay on. British Gas sent an electrician out who told her that the wiring in her property was incorrectly installed and unsafe. The electrician told Mrs K she'd have to have the house rewired and this would not be covered under the policy. British Gas agreed to send someone else out to look at the electrics but he also said the wiring in the property was unsafe and so he could not identify where the fault was.

Mrs K decided to instruct her own electrician to look at the wiring. Her electrician said the breakdown was due to a faulty socket in the kitchen and repaired it. Mrs K says that British Gas's electrician misdiagnosed the problem and so asked British Gas to reimburse the costs of her electrician (£342) and also the cost of some gas fires she bought to provide heating while waiting for the repairs to be done (£136.44). Mrs K also told us British Gas had previously done a safety test on the electrics in her property in 2015, while fitting smart metres, including the socket which was faulty and had passed.

British Gas doesn't accept it has acted incorrectly. It says its electrician found several faults and due to poor wiring and multiple junction boxes, he was unable to find the fault to repair. It provided a quote for over £7,500 for the rewiring of the property. British Gas says it didn't cause the problem with the electrics and so is not responsible for the inconvenience caused to Mrs K while this was not working but it did offer £30 compensation for the delay in sending the second electrician out.

One of our investigators looked into the matter and decided it should be upheld. She said the policy includes cover for repairs to electrical sockets and so the work should have been covered. The investigator therefore recommended that British Gas reimburse Mrs K for the cost of her electrician and also the cost of the gas heaters (which she had only bought because British Gas told her it would take two to three weeks before it could provide a quote for the rewiring so she would have otherwise been without any heating). The investigator also recommended that British Gas pay £75 compensation for the trouble caused by the handling of the claim.

British Gas didn't accept the investigator's assessment. It says:

- It visited the property in June 2018 to carry out an annual service of the boiler but the electrics would not have been looked at. It does not provide an annual check for the

electricians and so unless and until there is a problem, it would not be aware of any defects in the way it was installed.

- Mrs K's electrician repaired this without the need for wiring, however, it has strict guidelines and rules and regulations that it has to follow to make sure that any work is left safe for customers.
- The policy doesn't cover pre-existing faults or the improvement or upgrade of any part of the electrical system. Mrs K's electrician's invoice clearly states that there was no earth sleeving in place, which is an installation fault; and it advises that if an improvement is necessary, it may not continue to make repairs until that work has been carried out. This was the case in this scenario and the engineer followed the correct procedure.

As the adjudicator was unable to resolve the complaint, it has been passed to me.

my findings

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

Mrs K's policy covers various specified events which might arise with a home electrical system, including: *"All repairs to the mains electrical system and wiring on your property including: The fuse box, light fittings, switches, sockets, isolation switches and your immersion heater timer switch..."*

It excludes any pre-existing faults and any improvements or upgrade of any system.

Mrs K's electrician attended and managed to complete the repair of a socket, which he says was the cause of the electricity tripping in the whole property. His invoice says he did the following work:

*"called out to investigate power tripping
upon investigation we found that there was a faulty socket under the kitchen cabinets and one of the sockets in the kitchen had no earth sleeving and the neutral was possibly touching the earth
we did not find this out until we had separated all of the socket on the ring and put them back together one at a time replaced faulty socket"*

The cause of the problem was therefore the faulty socket. Mrs K's electrician would be subject to the same codes and standards as British Gas's electrician and there is no evidence that what he did was not correct or safe. He did not state that the whole system needed to be rewired. Mrs K's electrician also found that one socket was lacking an earth sleeve but this was not apparently the one causing the fault.

Based on this, I am satisfied that Mrs K's engineer carried out a repair that should have been carried out by British Gas's electrician under the terms of her policy. I share Mrs K's concern that instead she was left without power for around a week and then quoted just over £7,500 for rewiring which was not required. I therefore agree that British Gas should reimburse Mrs K for the cost of the repairs, together with interest at our usual rate.

Mrs K was without power for approximately a week, which meant she had no heating or hot water, and had to get her own electrician to come and repair it when she had taken out this policy to avoid the need to do so in exactly this kind of situation. I therefore also agree that

British Gas should reimburse the cost of the gas heaters, also with interest. I also consider that some additional compensation is warranted for the trouble caused by this repair not being done at the first attendance. I think this should be higher than the investigator recommended. I consider the sum of £200 to be more appropriate to reflect the difficulties this caused Mrs K, which could have been avoided. This includes, being without heating; arranging her own electrician; and having two more appointments to have this resolved, which should not have been necessary.

my final decision

I uphold this complaint against British Gas Insurance Limited and require it to pay Mrs K the following:

- £342 for the cost for the electrical work she had done, together with interest at 8% simple per annum from the date she paid for the work to the date of reimbursement;
- £136.44 to reimburse the cost of the temporary heaters, together with interest at 8% simple per annum from the date Mrs K bought the heaters to the date of reimbursement; and
- £200 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 11 April 2020.

Harriet McCarthy
ombudsman