

complaint

Mrs P complains that compensation offered to her by British Gas Insurance Limited (BG) following damage caused by BG is inadequate.

background

Mrs P has central heating breakdown cover provided by BG. She called it to fix a small leak from her hot water cylinder. On 19 September 2016 an engineer attended to fix it but he didn't have the necessary part. He came back the next day and fitted the new part.

At 5.20am the following morning Mrs P was woken by a loud bang and found that water was pouring from her hot water cylinder and through the ceiling to the floor below, including through a ceiling light. It was also running onto the floor of the bedroom where the cylinder is located. Mr P turned off the water supply at the stop cock, but water continued to flow for a while.

Mr and Mrs P called BG, and an engineer came within the hour, but said he couldn't do more than they themselves had done by turning off the stop cock. He advised them not to turn on the light downstairs. He said he'd arrange for another engineer to come, and that someone would call them before 12.30pm until which time the water would need to stay off. Mr and Mrs P noticed that the part that the engineer had fitted the previous day had come off the back of the hot water cylinder.

Later that day the original engineer arrived and replaced the part he'd originally installed. Mr and Mrs P were concerned as to whether he'd done a proper job on this occasion. When another engineer arrived, he was able to check that this was the case. He said that his manager would be in touch to discuss the damage and, very importantly for Mr and Mrs P, to arrange for an electrician to come and check that there was no safety risk because of water damage to electrical fittings. After much chasing by Mrs P, an engineer attended on 23 September and confirmed that the electrics were safe.

Mrs P emailed BG on the day of the incident to say that she was seeking compensation for the water damage to a ceiling, flooring, carpet, and underlay. She also says they had to endure a musty damp smell until their house dried out. They were without water until the repair was made later that afternoon. She said they'd have to suffer for some weeks from the aftermath of this incident with disruption to their work plans. Mrs P also said that they'd have increased water costs due to the flooding, and increased central heating costs incurred in trying to dry the house out more quickly, although this was a minor point in the overall complaint.

BG has accepted liability. It arranged for the damage to Mrs P's home to be repaired. However because of various delays, including BG's contractors forgetting appointments, and despite much chasing by Mrs P, the repair work wasn't completed until 2 February 2017, some 10 weeks after the incident causing the damage. Mrs P was also sent a bill for the cost of the electrician to come and check that her electrics were safe. She'd been told that she wouldn't be charged for this.

BG originally offered Mrs P £200 in respect of "outstanding losses and compensation". Mrs P rejected this offer, stating that the incident had already cost her £3,600 for eight days lost earnings. BG then withdrew this offer. It has since offered her £600 compensation which it

considers is fair and reasonable. Mrs P doesn't think this is enough and has referred her complaint to this service.

Our adjudicator considered that BG's offer of £600 was inadequate in the circumstances, and recommended that BG pay Mrs P compensation of £800. BG doesn't agree with this recommendation, so the matter's been passed to me to make a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I'm going to uphold Mrs P's complaint. I agree that BG's offer of £600 isn't fair in the circumstances, and I'll explain my reasons.

I don't think it's necessary to repeat the detail of Mrs P's experience as this hasn't been disputed by BG. Her experience is set out in detail in her letter of 6 December to BG. BG has accepted liability and has offered £600 compensation, and the only matter for me to consider is whether I think the amount of compensation offered by BG is fair.

I think that compensation needs to cover two things if it is to be fair.

Firstly, it needs to cover the trouble and upset Mrs P suffered as a direct consequence of having her home damaged by BG's faulty repair. This includes the trouble and upset caused by the physical damage to her home, including not having access to water until late afternoon on the day of the incident, not having the electrics checked out promptly to satisfy Mrs P that the property was safe, having to live with a damp and musty smell and then with midges drawn to the damp, and having to have contractors in her home and the consequential upheaval that caused before her home was returned to normality. Mrs P is also concerned about the impact of non-visible damage on the longevity of carpets and flooring that have not been replaced.

Secondly, I think it needs to cover the trouble and upset caused by the manner in which BG has handled every aspect of this claim. It appears that at every stage Mrs P has had to chase for any action to be taken. The inconvenience, trouble, and upset that is an unavoidable consequence of an incident such as this has been greatly increased through the poor service of BG and its contractors. The remedial work didn't start until over seven weeks after the incident, and wasn't completed until 10 weeks after it. During this period Mrs P had to spend a considerable amount of time either writing or phoning various departments at BT, and taking time off work to wait in for contractors. She estimates that this has taken up approximately eight days of her time.

I'm satisfied that BG was responsible not just for the incident itself, which it accepts, but for Mrs P suffering from it for far longer than was necessary or reasonable. In these circumstances I agree with the adjudicator's assessment that £800 is a more appropriate level of compensation.

my final decision

My final decision is that I uphold Mrs P's complaint and I require BG to pay her £800 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 4 May 2017.

Nigel Bremner
ombudsman