

complaint

Mr and Mrs S say British Gas Insurance Limited hasn't fairly compensated them for the distress and inconvenience they experienced as a result of a boiler leak.

background

Mr and Mrs S had a boiler fitted in July 2017. This wasn't completed under a contract of insurance. In summary, the boiler wasn't fitted properly and this caused a major leak in August 2017 which caused substantial damage to their home including various electrical goods.

But Mr and Mrs S did have a Homecare insurance policy which covered them for problems with their boiler. British Gas attended to fix the leak in August 2017 and didn't correctly identify the problem with the boiler. So there was a further leak in October 2017.

Their kitchen was unusable and most of the white goods were certified as unsafe to use. They say the property smelt because of the damp and because the electrics in the kitchen weren't safe they were using lamplight until an emergency light was fitted in November 2017. As the matter dragged on over Christmas and New Year Mr S wasn't prepared to wait any longer and instructed his solicitors. In March 2018 they agreed a settlement of around £8000 for the damage caused to the property, for which British Gas were responsible. So, between October and March, Mr and Mrs S continued to live in very difficult conditions.

However, the settlement didn't include compensation for the trouble and upset caused. The situation was ongoing between August 2017 and March 2018. British Gas offered Mr and Mrs S a total of £550 to reflect the trouble and upset they experienced during that period and a payment towards the cost of additional electricity running a dehumidifier.

Our investigator didn't think this was enough. She noted the boiler was fitted outside a contract of insurance. But she highlighted that British Gas had missed the cause of the problem when they initially attended and this had led to the further leak in October 2017. She didn't think British Gas had resolved the problems as quickly as they should and there were examples of delays and missed appointments. She recommended the compensation was increased to a total of £1320.

British Gas said they thought the compensation was too high and referred our investigator to a timeline of events which they said shows they took action to sort things out for Mr and Mrs S. So I need to make a 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.

Mr and Mrs S and British Gas have reached a settlement in relation to the damage caused by the faulty installation of the new boiler, which wasn't carried out under a contract of insurance. So the issue in this complaint is how much compensation Mr S should receive for the distress and inconvenience caused by what went wrong in relation to two call-outs carried out under the insurance contract. I'm satisfied that an overall figure of £1320 is fair in the circumstances of this case given the overall impact on Mr and Mrs S. I say that because:

- Mr S received a visit from British Gas when the boiler first leaked. The leak had caused extensive damage to their home. Mr and Mrs S spent several weeks drying out their home. The dryers had only been removed for around two weeks before the second leak took place. When British Gas attended in October 2017 it became apparent they'd failed to correctly identify the cause of the leak when they attended in August. Had British Gas correctly identified the source of the leak in August the second leak wouldn't have happened;
- I can understand why this was very upsetting for Mr and Mrs S as the second leak could've been avoided if the fault had been correctly identified at the first visit. And, having just dried out their home, they had to deal with another leak. I think this caused them a great deal of distress and intensified the stress they were already under as a result of the first leak. Had the second leak not taken place, it's likely everything would have been resolved much more quickly. The October leak meant there had to be a further assessment of the damage which ultimately delayed the settlement. This all could've been avoided if the correct fault had been identified back in August;
- Mr and Mrs S's home was in a very poor state for a long time, including over the Christmas period. They've explained they couldn't use the kitchen and were living in difficult conditions. For example, tiles and flooring were removed so they could dry out. And temporary lighting wasn't fitted in the kitchen until November which was months after the first leak. So I can understand why this was very distressing particularly as they couldn't use basic facilities, including the kitchen and white goods;
- British Gas provided a timeline of events which they say shows they the appropriate action. But I don't think matters progressed as quickly as they should have in the circumstances, especially after the second leak. I think British Gas could have addressed these issues with greater urgency, particularly bearing in mind the background to this complaint and the conditions Mr and Mrs S were living in. For example, British Gas was notified of the second leak at the end of October but, according to their timeline, they didn't instruct their contractor to attend until two weeks later to assess the damp levels. And their contractor didn't attend for a further two weeks.
- The information I've seen suggests there was little meaningful progress between the end of November and early January. Mr and Mrs S were so frustrated by the lack of progress they instructed a solicitor to pursue a settlement with British Gas. So this was a further inconvenience as they had to take the time and trouble to do this, in what was already a stressful and difficult situation;
- I think compensation of £1200 fairly reflects that Mr and Mrs S spent a long period of time living in very difficult conditions because of the failings by British Gas. This had a big impact on them and caused them a great deal of distress. Based on the information I've seen, I don't think British Gas addressed this with enough urgency. So this amount is to compensate them for the distress and inconvenience caused. I also think British Gas should pay the £120 they offered in their final response letter towards the cost of additional electricity which brings the total compensation to £1320.

my final decision

I'm upholding Mr and Mrs S's complaint against British Gas Insurance Limited and directing them to put things right by paying a total of £1320 compensation. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 December 2018.

Anna Wilshaw
ombudsman