

complaint

Mr and Mrs P complain that British Gas Insurance Limited gave poor service under a home emergency insurance policy.

background

Where I refer to British Gas I refer to the insurance company by that name and I include engineers and others for whose actions I hold it responsible.

Mr and Mrs P own a property. They let it to tenants – a couple with children, one with special needs.

Mr and Mrs P complained that British Gas was responsible for a leak that caused damage to their flooring.

British Gas or its insurers made offers of settlement.

our investigator's opinion

Our investigator recommended that the complaint should be upheld. She thought that British Gas should put Mr and Mrs P back in the position they should be in had the damage not have been caused. She recommended that British Gas should revise its offer so that Mr and Mrs P can replace the damaged floor at no cost to themselves.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr and Mrs P and to British Gas on 28 January 2019. I summarise my findings:

Mrs P got quotes for labour to fit the replacement flooring. They worked out at between about £735.00 and about £1,000.00. The specialist for British Gas gave a figure in the same range. So I said I would adopt the figure of £800.00 as fair and reasonable for labour.

For the flooring material itself, the specialist for British Gas put forward figures of 28.4 square meters at £25.00 per square metre.

Mr and Mrs P had shown us evidence that the actual cost of such flooring is £44.00 per square metre.

Mrs P also identified the need for some sundry materials such as underlay, caulk and paint which she estimated at about £85.00 – and which I found reasonable.

If Mr and Mrs P had paid for the work and been out of pocket then I would've awarded interest at our usual rate.

Subject to any further information from Mr and Mrs P or from British Gas, my provisional decision was that I was minded to uphold this complaint. I was minded to direct British Gas Insurance Limited to pay Mr and Mrs P (jointly) a sum calculated as follows:

Labour for replacing floor	£ 800.00
Flooring Material 28.4 x £44.00	£1,249.60
Underlay, caulk, paint etc.	£ 85.00
Total	£2,134.60

Mr and Mrs P agree with the provisional decision. They say they haven't had the damage rectified because their financial circumstances haven't permitted.

British Gas says it doesn't have any further comments to make or information to provide in response to the provisional decision. It says it stands by its initial offer of £1,190.00.

my findings

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

From the descriptions and photographs, the property is a terraced house with a front door leading directly into the front room. In that room there is a radiator. It was in a radiator cabinet.

The floor was of oak panels of a relatively small thickness – about 14mm. The floor covering was about 4 years old.

I've seen a renewal letter dated July 2017. It was addressed to Mrs P so I think she was the policyholder. But I accept Mr and Mrs P's statement that they own the property jointly. So I think Mr P also had the benefit of the policy.

There was cover for various things including the central heating boiler and radiators.

The policy provided cover up to £1,000.00 including VAT for getting access and making good. "*Making good*" was defined so as to include filling in holes and leaving surfaces level. It didn't include new floor coverings.

British Gas replaced the radiator in April 2017. It did this under the policy.

Mr and Mrs P's complaint is that this work wasn't done properly. She says the engineer didn't use the right new pipe and bent the old pipe so that a joint cracked under the floor.

That wasn't noticed until September 2017 when the new boiler was losing pressure and there was a search for a leaking pipe.

British Gas had to disturb the floor under the radiator in order to repair the leak.

So British Gas must've seen the source of the leak. And I don't think British Gas or its insurers have disputed that it was responsible for the leak and therefore the damage to the floor. British Gas or its insurers have made a series of offers of contribution towards the cost of replacement flooring.

So the main issue is how much British Gas or its insurers should do to make up for the damage to the floor.

British Gas got a report from a floor specialist. I've seen that report. It said the floor had been in a "*fair*" condition. It referred to the floor as "*engineered*". But it also said it was solid oak.

Mrs P investigated the cost of replacement flooring. She also identified the need for some sundry materials such as underlay, caulk and paint which she estimated at about £85.00 – and which I find reasonable.

Mrs P got quotes for labour to fit the replacement flooring. They worked out at between about £735.00 and about £1,000.00. The specialist for British Gas gave a figure in the same range. So I will adopt the figure of £800.00 as fair and reasonable for labour.

For the flooring material itself, the specialist for British Gas put forward figures of 28.4 square meters at £25.00 per square metre – a total of £706.00.

But British Gas has not been able to point to any solid oak flooring available at the price of £25.00 per square metre. And when challenged on this, British Gas – in my view - changed its stance. It said that the rate of £25.00 per square metre was to reflect that Mr and Mrs P's flooring had been in only "*fair*" condition.

But Mr and Mrs P have sent photographs of the undamaged part of the floor. They say it's in good condition and I think the photographs show that's right.

And they've shown us evidence that the actual cost of such flooring is £44.00 per square metre.

In the context of a terraced house let to tenants, I accept that before the leak Mr and Mrs P had no intention of replacing the flooring. So I don't think it's fair to adopt British Gas's reduced figure of £25.00 per square metre.

Under the rules by which we're bound, I don't think I have power to assess compensation for the tenants.

Rather I've thought about the effect that the unrepaired damage had on Mr and Mrs P's relationship with their tenants. But I think there must've been steps that they could've taken to mitigate that effect. So I don't find it fair and reasonable to direct compensation for that.

If Mr and Mrs P had paid for the work and been out of pocket then I would've awarded interest at our usual rate. But that doesn't apply here.

Overall I find it fair and reasonable to direct British Gas to pay Mr and Mrs P (jointly) a sum calculated as follows:

Labour for replacing floor	£ 800.00
Flooring Material 28.4 x £44.00	£1,249.60
Underlay, caulk, paint etc.	£ 85.00
Total	£2,134.60

my final decision

For the reasons I've explained, my final decision is that I uphold this complaint. I direct British Gas Insurance Limited to pay Mr and Mrs P (jointly) a sum calculated as follows:

Labour for replacing floor	£ 800.00
Flooring Material 28.4 x £44.00	£1,249.60
Underlay, caulk, paint etc.	£ 85.00
Total	£2,134.60

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs P to accept or reject my decision before 13 March 2019.

Christopher Gilbert
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