

complaint

Mr and Mrs M complain about a claim made for a repair to their oven under their insurance policy with British Gas Insurance Limited (British Gas).

background

Mr and Mrs M hold an insurance policy with British Gas, which includes cover for their kitchen appliances.

Mr M contacted British Gas to make a claim for a stiff dial on his oven. British Gas attended and attempted to carry out a repair. In the process a component appears to have been broken or dislodged. Following this the oven became unusable as the thermostat had been affected and effective temperature control lost.

British Gas was unable to source the required part to complete a repair; it therefore offered to pay a contribution of 30% of the cost of a replacement appliance, in line with the policy terms and conditions. Mr M selected a replacement oven and it was installed by British Gas. The selected replacement appliance had an electric oven, unlike the original one which was gas. British Gas carried out some electrical work at the property on a chargeable basis, not under the policy, to accommodate the new oven.

Following this Mr M complained to British Gas. He asked it to cover the entire cost of the replacement appliance and electrical work. British Gas declined to do this.

Mr M was unhappy with British Gas' response so brought his complaint to this service. He said had he been given the option to purchase a new cooker with a 30% contribution, or keep the existing cooker working but with the stiff dial unrepaired, he would have kept the original cooker, as it was functional. This was not possible as British Gas had damaged the cooker.

One of our adjudicators upheld the complaint in part. They thought the application of the usual policy terms and conditions producing the 30% contribution was unfair, as British Gas had caused damage to the appliance. They recommended British Gas pay the full cost of the replacement appliance, but didn't agree the cost of the electrical work should be paid. This was because this work was not carried out under Mr M's insurance policy and that Mr M chose to have a part electric appliance installed instead of a gas one – even though they understood Mr M's reasons for this.

British Gas did not agree with our adjudicator. It said that a stiff dial on an oven could be a result of an underlying issue with the thermostat, however, provided no real evidence to support this theory in this particular case. Our adjudicator explained that the oven was operational prior to British Gas' attendance, apart from the stiff dial. The adjudicator maintained the full cost of the replacement appliance should be paid.

British Gas did not agree. The matter has therefore been passed to me for 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 am upholding this complaint for the same reasons as the adjudicator.

The terms and conditions of the policy state:

*“A contribution towards a **replacement** if we can’t **repair** it or we decide it will cost less to **replace** than to **repair**. We’ll source the **replacement** from our approved supplier and make the following contribution based on their current retail selling price:*

- *100% if your appliance is less than three years old*
- *30% if your appliance is three years old or more*

You may use our contribution towards an alternative model of your choice from our approved supplier. There is no cash alternative”.

These terms could only fairly be applied if the fault occurred without the involvement of British Gas. In this case, the engineer from British Gas appears to have caused damage to the appliance.

I have reviewed the claims notes and can see Mr M reported a stiff dial on his oven. No other faults were reported. During British Gas’ attendance a component was broken, which could no longer be sourced, therefore a repair was no longer possible. It was only after this appointment that Mr and Mrs M found that meals were now burning in the oven and it was no longer functioning properly.

I note British Gas’ comment that it is common for thermostats to be knocked out of sync, but that isn’t really a reason for me to decide the consumer should pay for a cooker damaged by British Gas. I think as the proximate cause of the damage was work being done by British Gas they should fund the replacement, as a repair was not possible.

I do however also agree with the adjudicator that no award should be made towards the electrical work which was carried out to accommodate the replacement appliance. This is because Mr M could have selected a similar appliance which was gas operated as a replacement. Equally although I accept this matter has caused some distress and inconvenience to the consumers they have got a new cooker replacing one some 17 years old and I think this betterment, although not by choice, does provide some recompense from their trouble.

my final decision

I uphold this complaint. British Gas Insurance Limited should pay the full cost of the replacement appliance, less any contribution already paid. To calculate this Mr and Mrs M should provide British Gas with proof of purchase and price if they haven’t already done so.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr and Mrs M to accept or reject my decision before 30 December 2018.

Christopher Tilson
ombudsman