

complaint

Miss W complains that faulty work carried out by British Gas Insurance Limited ("BGI") under her home emergency insurance policy resulted in her dishwasher catching fire and extensive damage to her kitchen, for which BGI hasn't properly compensated her.

background

Miss W had a home emergency insurance policy with BGI covering kitchen appliances. When her dishwasher stopped working she made a claim on her policy. BGI responded and the dishwasher was repaired in March 2018. Shortly afterwards, the dishwasher caught fire and her kitchen was badly damaged.

BGI accepted that its repair work had been faulty, which resulted in the dishwasher catching fire and damaging the kitchen. It paid her compensation for matters not covered by the insurance of her house, as follows:

- £368 loss of earnings;
- £50 policy excess;
- £42.77 for paint;
- £250 food allowance because her kitchen was unusable for some eight weeks; and
- £500 for the emotional distress and upset to her health caused by the fire.

Miss W didn't accept the figures for food allowance and emotional distress.

On the food allowance, BGI was unhappy with some of the receipts and said others didn't have any breakdown for what had been consumed and by whom. It said Miss W would have had to spend money on buying food in any event. Miss W said she could only provide in the way of receipts what she had been given. And the loss of use of her kitchen for eight weeks had cost her more than BGI was allowing.

On the psychological issues that Miss W said had resulted from the fire, BGI said that on the limited medical evidence Miss W had made available it thought its offer of £500 was reasonable. Miss W didn't think this was enough. She said she had provided evidence that following the fire she had been prescribed sleeping tablets and anti-depressants.

Our investigator recommended that this complaint should be upheld. He said that as a result of the fire, Miss W was unable to use her kitchen for approximately eight weeks. In such circumstances, when receipts weren't available our approach was that a disturbance allowance of £10 per adult and £5 per child should be paid for each day the kitchen wasn't usable.

Miss W said she lived with her child, and so the investigator thought she should be paid a disturbance allowance of £15 for every day she was without the use of her kitchen. Miss W said she was without a kitchen for eight weeks or 56 days. So he recommended that the food allowance be increased by £590 from £250 to £840.

In considering the compensation for Miss W's emotional distress, the investigator noted that she was at home when the fire broke out. So it was reasonable to assume that this must have caused her some distress. Her medical records also suggested the fire had affected her. She'd inhaled smoke, suffered with nightmares, and been prescribed medication to help

her cope with stress. So he recommended that the compensation for this aspect be increased from £500 to £1,000.

Miss W accepted the investigator's recommendation. BGI didn't agree with the recommendation. It said its view remained that the compensation it had offered was fair and reasonable in the circumstances. So this complaint has been passed to me to issue 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.

Like the investigator, I think the offer of a food allowance of £250 for Miss W and her child in respect of the loss of use of a kitchen for some eight weeks is inadequate. It's less than £4.50 a day for the two of them.

I understand that BGI had reservations about some of the receipts that Miss W produced. In the absence of adequate receipt evidence, where a kitchen is out of action our practice is to suggest a daily allowance of £10 per adult and £5 per child for each affected day. In this case that amounts to £840. So I agree that the food allowance in this case should be increased by £590.

For the reasons the investigator gave, I also agree that the compensation for Miss W's emotional distress should be increased by £500.

BGI has already paid Miss W a food allowance of £250 and compensation for distress of £500. I think it should pay her a further £1,090 (£590 + £500).

my final decision

My decision is that I uphold this complaint, and order British Gas Insurance Limited to pay Miss W a further £1,090 in addition to the sums it has already paid her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 1 March 2019.

Lennox Towers
ombudsman