

complaint

Mr E complains that British Gas Insurance Limited mishandled his claim on a HomeCare policy.

background

Mr E had a loft bathroom with a basin in it. To provide hot water, he had an electric instant water heater. It started to leak. He complained when British Gas declined to replace it.

The adjudicator recommended that the complaint should be upheld. She concluded that it was unfair for British Gas to decline Mr E's claim. She was not satisfied that the policy excluded hot water heaters such as his. She recommended that British Gas should:

1. settle Mr E's claim;
2. add simple interest (less any tax) at an annual rate of 8% from the date of loss to the date of settlement.

British Gas disagrees with the adjudicator's opinion. It says the water heater was a separate appliance – not part of the plumbing system covered by its policy.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I have studied the HomeCare terms and conditions.

They include a colour-coded diagram headed "*What we can look after*". It shows an immersion heater as included. But it shows a shower pump as not included. The shower pump is shown as connected to the hot water supply as well as to the cold water. So I do not consider that the diagram indicates an instant hot water shower.

The terms and conditions also include the following:

"...Plumbing Cover...

The following are included in your Agreement:

...hot and cold water pipes...

...hot water cylinders and immersion heaters

...Plumbing Cover exclusions...

The following are not included in [your] Agreement:

...Repairing or replacing water softeners, shower pumps and mixer valves...

all electrical water pumps and parts of your water system that are designed to increase mains pressure...macerators...and electrical units for toilets."

Mr E's instant water heater was one which needed to be "plumbed in" by a competent plumber. It was not readily detachable like a washing machine.

I consider that his water heater was more like an immersion heater than a pump.

I do not conclude that it was excluded from cover. Therefore I do not find it fair and reasonable that British Gas declined Mr E's claim.

I have seen an invoice from a private plumber to Mr E for £503.40. As he was able to afford to pay this, I do not consider Mr E suffered particular upset and trouble. But I will order British Gas to reimburse Mr E with interest at our usual rate.

my final decision

For the reasons I have explained, my final decision is that I uphold this complaint. I order British Gas Insurance Limited to pay Mr E:

1. £503.40;
2. simple interest on that amount at an annual rate of 8% from 12 April 2013 to the date it pays him. If it considers it has to deduct tax from the interest element of my award, British Gas shall send Mr E a tax deduction certificate when it pays him. He can then use that certificate to try to reclaim the tax, if he is entitled to do so.

Christopher Gilbert
ombudsman