

complaint

Mr W's complaint is about the handling of a claim made under his central heating insurance policy with British Gas Insurance Limited.

background

I issued a provisional decision on this matter in February 2019 part of which is copied below:

Mr W made a claim under his policy on 28 February 2018 when his boiler stopped working, as a pipe had frozen.

Mr W made an appointment on line for British Gas to attend the following day. However, shortly after booking the appointment, a pipe also burst, causing water to leak through a wall. He therefore had to turn off the mains water supply. Mr W says he added this to the online details about the claim.

Mr W waited in all day but at 4pm, British Gas called him to say it could not attend as it was too busy. It told Mr W it could not attend for another seven days. Mr W therefore arranged for his own contractor to come out straight away to fix it. He says it required three attendances to repair, as the pipes thawed out further damage was found.

British Gas accepts that it should have attended to Mr W's claim sooner than it did but says it had to prioritise vulnerable customers, due to the extreme weather conditions at the time. It offered £30 compensation for that, £30 for a missed appointment, £20 for mistakes in the final response. British Gas also said it will consider reimbursing the costs of repair, if Mr W sends an invoice.

One of our adjudicators looked into the matter. He didn't think it should be upheld, as he considered British Gas's offer was reasonable. He didn't consider that any further payment was warranted until Mr W could produce an invoice for the work done.

Mr W doesn't accept the investigator's assessment and has made a number of submissions in his original complaint and in response to the adjudicator, which I've summarised below:

- *He paid his premiums but when he tried to claim British Gas didn't help him, the policy was therefore mis-sold and he should have his premiums back for the entire five years he paid for the policy.*
- *He had to take a day's holiday to wait for the British Gas engineer and wants compensation for having to use annual leave for this.*
- *He understands that British Gas needs to prioritise vulnerable customers but it wasn't fair to him to move his appointment to a week later, he should have kept his place in the system, and all customers should have been moved back a day.*
- *He was pushed to the back of the queue but he paid his premiums and British Gas didn't deliver its part of the bargain.*
- *He was without any water supply at all not just hot water. This meant he was also vulnerable in any event, as he had children in the house. But British Gas failed to establish this simply asking if he had another source of heating. He told them he had a fire but he doesn't use this.*
- *The error in logging the claim – and not logging properly that he was without any mains water supply and not just with no heating or hot water – the representative was made aware and understood he had no water supply at all but they didn't have*

capacity to deal with the claim. And so it was deliberately logged in a way that meant he did not get the cover he paid for.

- *He called builders that had done some work for him previously.*
- *Under insurance law and contract law, the breach of contract by British Gas should mean his premiums are refunded. His complaint has been treated as a complaint about a missed appointment, rather than a mis-selling complaint. He didn't ask for compensation for the missed appointment*
- *He is also unhappy with the way the complaint was handled.*

As the adjudicator has not been able to resolve the complaint, it has been passed to me.

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 W says his policy was mis-sold to him – he had taken it out to provide cover for emergencies such as this but in reality he was not insured, as the policy didn't cover him when he needed urgent help.

I can understand Mr W's frustration and dissatisfaction when British Gas was unable to help him at the very time he needed the policy. It was for help in emergency situations such as this that he took out the policy. However, having said that, I don't agree that the failure to attend within a reasonable time constitutes a breach of contract such that would render the contract void and the premiums refunded. Mr W was covered in exchange for that premium paid. The fact that when he made this claim, it was not dealt with as it should have been doesn't alter that. I don't therefore intend to ask British Gas to refund the premiums. I will however, consider what should be done to put right what went wrong (i.e. the failure to respond to this claim promptly enough).

There is no guaranteed response time in the policy but we would expect British Gas to respond to call outs within a reasonable time, taking account of the nature of the call out and the circumstances of the policyholder. It is therefore appropriate (as Mr W accepts) that it prioritise vulnerable policyholders. However, I also agree that as Mr W didn't have any water supply when he reported the matter to British Gas, it should have prioritised his claim. It failed to do so. I am not persuaded that the claim call was deliberately logged incorrectly to avoid providing cover, however.

I can appreciate Mr W's point that it would have been fairer for him to have been the next customer seen, after his original appointment was cancelled but I have no authority to direct how British Gas operate its appointments system. I can only award compensation for the distress and inconvenience actually experienced as a result of something it has done wrong.

It wasn't reasonable for Mr W to have to wait a week without mains water. But Mr W did resolve the situation himself. I acknowledge he shouldn't have had to do this but it does mean that he was not without a working boiler or without a water supply for long.

However, it is appropriate that British Gas compensate Mr W for the trouble caused in having to arrange that himself and the cost of those repairs. However, it wants an invoice from a Gas Safe engineer before doing so.

Mr W has not been able to provide an invoice but he has provided some evidence of the cost (£290 for the repair of the pipework and boiler). In correspondence to British Gas Mr W said that:

“The work undertaken was for a frozen water pipe that required a section of plasterboard to be removed and made good. When the pipe was repaired initially the water supply was switched back on but as the pipe defrosted over the following days the pipe had split in 2 further places needing 2 further call outs. These were not initially evident. In addition the pipe from the boiler pump had frozen which had caused a leak of water onto the electrical supply and this had fused the supply to the boiler meaning we had no heating.

Some of these repairs may not be covered by the contract such as the plastering but the costs I have been given are as follows:

*£100 emergency call out fee
removal of plasterboard wall and replaced plastic pipe included in above
Refit and plastering of wall £70
second and third emergency call out charged at £30 each
Boiler time costed to defrost pipe from boiler pump 2 hrs labour (includes time costed work as above at £30 per hour)
Total cost £290”.*

Mr W said that this done as part of a lot of work the contractors were doing for him and the costs were included in a large invoice. They were also not Gas Safe registered but it appears they were not working on the boiler in any event.

It seems to me that Mr W has provided a reasonable explanation why he can't provide an invoice. He was covered for this claim but British Gas didn't carry out any repairs. The amount he says he was charged doesn't seem unreasonable (and the policy does cover making good – so any filling in a hole made to gain access and or making a flat surface but not redecorating).

Overall therefore, while it is not unreasonable for British Gas to have asked for an invoice and normally I would agree this should be provided, it seems to me it should pay Mr W the £290 for the repairs.

Mr W says he didn't ask for compensation for the missed appointment. In my opinion, it is apparent from his first complaint letter that he did but in any case, it has been offered. British Gas should have attended the day he reported the claim. I agree that the £80 offered for this and the other issues is reasonable.

my provisional decision

I intend to uphold this complaint and require British Gas Insurance Limited to pay Mr W £290 to reimburse him for the repairs, in addition to the £80 it has already offered.”

responses to my provisional decision

I invited both parties to respond to my provisional decision with any further information or arguments they wanted considered.

British Gas has not responded.

Mr W doesn't accept my provisional decision. He has made a number of points in response, which I've summarised below:

- He still believes that British Gas breached his policy agreement and doesn't understand how I can conclude otherwise.
- When he made the claim, his house was uninhabitable as it had no water. By saying that it would take seven days to respond, it effectively was saying it would not "*provide you with the cover in line with our agreement [and] they knew I would have to get the repairs completed by someone else*". Therefore it should refund the premiums and pay compensation distress and inconvenience.
- The fact it redirected services to vulnerable customers is not relevant.
- The payment offered is too low. The figures he gave regarding the work required were provided by the builder's father, but the builder has said it would be at least double that. He takes responsibility for this error and suggests that the payment due to him should be based on the cost to British Gas of three emergency call outs, plus an estimate for the work involved.
- This would still mean British Gas would profit from the situation, given what costs it would have incurred if it had honoured the claim.
- With regard to the compensation, I proposed, this is "*extremely flimsy*." He has found an article on the internet, which says the average payment from British Gas for a missed appointment was £90; and he has also studied this service's examples of awards made and this shows much higher payment than he has been offered.

my findings

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

I didn't state that the policy agreement had not been breached. I explained that I didn't think it had been breached such that it was effectively void and that the premiums should be reimbursed.

Mr W was not provided with the service that he was entitled to expect from his agreement with British Gas. Given this, Mr W should be put as far as possible back into the position that he would have been in had the breach not occurred. This means that British Gas should reimburse the cost of the repairs that he incurred and compensate him for the actual distress and inconvenience caused.

Mr W told us the repairs cost £290. He has not provided any other convincing evidence of these cost and has not been able to provide an invoice, as he says it was included in other work. However, he now says that it cost twice this and suggests that British Gas pay him the equivalent it would have cost it to attend three appointments. Given there is no documentary evidence of the actual costs and that he has previously put these at £290, I do not agree that it would be reasonable to require British Gas to pay more than that.

British Gas didn't attend when it first said it would and Mr W was without water but this was resolved promptly (albeit by his own builders). I have considered all the evidence of what happened and I still consider that the £80 already offered is reasonable to reflect the missed appointment and other issues. This is in line with other awards made by this service in similar scenarios.

my final decision

I uphold this complaint and require British Gas Insurance Limited to pay Mr W £290 to reimburse him for the repairs, in addition to the £80 it has already offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 17 May 2019.

Harriet McCarthy
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