

complaint

Mr O complains about British Gas Insurance Limited's (BG) service under his homecare insurance policy. My references to BG include its agents.

background

Mr O contacted BG as he'd noticed his boiler was losing pressure. Several BG engineers visited his property on separate occasions between February and April 2017. Mr O said BG's engineers found no cause for the drop in pressure and concluded there was no damage to the boiler.

Mr O said one BG engineer told him that if there was a leak it must be under the floorboards and his policy didn't cover the cost of accessing the leak. The engineer suggested Mr O contact his home insurance provider to investigate. The home insurer's engineer checked the boiler and found a leak on the boiler pipework. BG fixed the leak. Mr O complains that because BG failed to identify the leak and gave him wrong advice to keep topping up the boiler his kitchen floor was damaged beyond repair.

Mr O wants BG to reimburse him for the home insurance claim £350 excess he had to pay and other financial losses incurred as a result of BG failing to find the boiler fault. He also wants compensation for distress and inconvenience as he and his family couldn't live at home for two months as the kitchen had to be removed for the area to dry out before replacement.

BG said as the part that leaked was installed by another business and the leak was already there before it attended it wasn't responsible for the fault. Its work record for the first engineer's visit said he'd repair a leak and re-pressurised the system. When an engineer attended about 10 days and then two months later no leaks were found although in the April visit there was water on the kitchen floor. It offered Mr O £30 for goodwill due to its delay in responding to his complaint.

Our investigator explained why she thought BG should pay Mr O the £350 excess he paid for the home insurance claim and £750 compensation.

BG doesn't agree and wants an ombudsman's decision. It said Mr O's home insurer never contacted it to discuss liability or make a counterclaim.

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 uphold this complaint.

BG says it isn't responsible for the damage as it didn't install the leaking part or cause the leak, but that's not the point. The issue I have to decide is whether BG's engineers failed to identify the leak when they should have reasonably done so and whether Mr O incurred unnecessary damage, financial loss and trouble and upset as a result.

Mr O says four engineers attended to try to find the problem with his boiler. BG has records of three attending to do so; the fourth was to repair the leak. It's not clear whether the leak its

first engineer repaired was related to the leak that caused all the damage. Even if it was the same leak, it had reappeared by about 10 days later (so hadn't been properly repaired). On the second and third visits its engineers couldn't find a leak. But the leak must have been there as on the third visit there was clear damage to the floor. Contrary to what BG's told us the home insurer did write to it making a counterclaim (a copy of the letter is in BG's records). That letter said 'the leak had evidently been ongoing for some time'.

BG hasn't explained why its engineers were unable to find the leak when the home insurer's engineer found the leak on the pipe leading to the boiler straight away.

On the evidence BG's engineers were at fault in not finding a leak they should have reasonably been able to find. BG told the home insurer that even if it had found the leak straightaway the water would have still caused damage. That's probably right but if the leak has been found by its engineers in February that would have avoided nearly three months of water damage. I think it's more likely than not that Mr O wouldn't have needed to make a home insurance claim for the damage if BG had found and correctly fixed the leak straight away.

I think BG is responsible for the amount of damage that occurred to Mr O's home and he had financial loss and trouble and upset as a result. BG should pay Mr O the £350 excess he had to pay for the home insurance claim (plus interest as detailed below) and £750 for his distress and inconvenience. I'll explain the compensation award in more detail to show why I think that's a reasonable sum.

I don't know exactly by how much Mr O's future home insurance premiums will increase because he made a claim due to BG's poor service. The home insurer said he had an increase in the relevant period of about £80 and the claim was an 'influencing factor for the increase'. So I think BG needs to pay some compensation to acknowledge the impact of the claim that's likely to affect Mr O's premium for a few years.

Mr O also had to use seven days annual leave from work for the home insurer to do the repair work. If BG had repaired the leak it's unlikely there would have been so much damage and he wouldn't have had to use as much annual leave. Mr O says the annual leave cost the equivalent of over £700 of his salary. I don't generally award compensation on the exact cost of lost holiday but I've taken the considerable amount of leave he had to take due to BG's fault into account.

Mr O and his young family had to vacate their home for two months. He didn't have direct financial extra cost of the alternative accommodation as they stayed with relatives. I note the home insurer offered alternative accommodation under its policy which Mr O didn't take as it wasn't convenient. But whether they stayed with relatives or in other accommodation it was clearly upsetting and very inconvenient for them to have to be out of their home for that long. There was also all the trouble of having the repairs done.

my final decision

I uphold this complaint.

I require British Gas Insurance Limited to pay Mr O:

- £350 as reimbursement for the home insurance excess. Interest* must be added at 8% simple a year from the date Mr O paid the excess to the date of settlement, and

- £750 compensation for his distress and inconvenience.

British Gas Insurance Limited must make payment within 28 days of the date we tell it Mr O accepts my final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 7 July 2018.

Nicola Sisk
ombudsman

*If British Gas Insurance Limited considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Mr O how much it's taken off. It should also give Mr O a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.