

## **complaint**

Mrs M complains about British Gas Insurance Limited's handling of a claim made under her Homecare policy.

## **background**

Mrs M holds a Homecare policy, the aim of which is to protect against repairs needed for the central heating system, plumbing, drains and electrics.

Mrs M called British Gas as there was an escape of water at her home. An engineer arrived later that day to fix the problem, but by that time, significant damage had been done to the property. Mrs M thought British Gas would cover the repairs to her property, so she didn't make a claim on her home insurance policy. A month later, British Gas advised Mrs M that repairs to property damage weren't covered under the policy. It apologised for initially giving her misleading information and paid her £50 compensation. Unhappy with this, Mrs M brought a complaint to this service.

Our investigator recommended the complaint be upheld. He accepted British Gas wasn't liable for repairing the damage, but he agreed it had mistakenly led Mrs M to believe that she could claim for this. He thought British Gas should pay Mrs M £500 compensation for the trouble and upset the misleading information had caused.

Neither party agreed with the investigator's recommendations, so the matter's been passed to me to consider.

## **my findings**

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

The policy makes it clear it covers repairs to the central heating system, plumbing, drains and electrics. The policy also says:

### ***"Any other loss or damage***

*We're not responsible for any loss of or damage to, or cleaning of property, furniture or fixtures as a result of your boiler, appliance or system breaking or failing unless we caused it. For example damage caused by water leaks."*

I'm therefore satisfied the policy doesn't cover the damage to Mrs M's home caused by the escape of water.

However, I've listened to the relevant phone calls between the parties, and British Gas' representative did lead Mrs M to believe she could claim for the damage to her property when she first notified it of the problem.

It was only a month later that British Gas advised Mrs M that the damage to her property wouldn't be covered under the policy and that it had given her the wrong information initially.

I therefore agree with the investigator that Mrs M was led to believe that she could make a claim for the damage to British Gas. Because of this, she delayed making a claim under her home insurance policy.

I understand Mrs M doesn't want to claim under her home insurance policy because of the potential impact on her renewal premium. But as there's no cover under her Homecare policy for the repairs, Mrs M would have always needed to make a claim under her home insurance policy, or pay for the repairs herself. Although I accept British Gas misled her about the cover under the Homecare policy, that doesn't mean it has to now pay for the repairs. Instead, I need to consider the impact British Gas' error had on her.

As a result of British Gas' error, Mrs M and her family continued living with the damage for a month before Mrs M was told the correct information. I think this would have caused them a lot of inconvenience. I think £500 additional compensation would be appropriate in the circumstances to reflect the inconvenience caused.

**my final decision**

My final decision is that I uphold this complaint. I require British Gas Insurance Limited to pay Mrs M an additional £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 14 March 2018.

Chantelle Hurn-Ryan  
**ombudsman**