

complaint

Mrs G is unhappy with British Gas Insurance Limited's handling of her claim under a home emergency insurance policy.

background

I issued a provisional decision on this matter in March 2017, part of which is copied below:

Mrs G reported a leak to British Gas in July 2012 from her bathroom. The contractor initially said it was from the shower trap and this was replaced but the leak continued. The contractor couldn't locate the leak. He thought it might be from the shower seals and/or from the window, which might have been letting rainwater in. Mrs G was told to replace the seals around the shower and the window. The contractor came back out after she'd done this and removed some floorboards but still couldn't find the leak. He apparently then told Mrs G that the leak must have an external cause and was to do with the rendering outside.

Mrs G says she was told to get a rendering company to remove the render which she did but it was found to be dry underneath. They then removed everything down to the brickwork in the dining room but still couldn't find the leak. A different contractor came out and found the leak from a disconnected overflow pipe behind a skirting board upstairs and faulty ball valve in the cold water storage tank in the room above (on the fourth visit on 9 December 2016).

British Gas apparently accessed this through the ceiling, it has patched up the damaged area with plaster but this now doesn't match the decorative artex in the rest of the downstairs.

Mrs G has provided an estimate of the cost to reinstate the render of £1,550 plus VAT. I don't know if this includes the cost of removing it. Mrs G is also unhappy that her ceiling no longer matches.

British Gas says that it didn't tell Mrs G to remove the rendering – there's no record of any such advice being given to her - and so doesn't agree to paying the cost of replacing it. It also says that the policy provides that it will 'make good' any damage caused in trying to locate and access a leak by filling any "holes and leave the surface level" but the policy that applied in 2012 also said "we will not replace the original surface or construction (for example, redecoration)." Therefore it also refused to reinstate the artex. It did however ask to investigate damage to some woodwork but Mrs G didn't want British Gas to visit her property again about this. British Gas also offered £200 compensation for the delays and inconvenience caused to her.

One of our adjudicators looked into the case. She said that while the contractor's notes didn't record that it told Mrs G to remove the rendering, it seems to have accepted that it gave her some incorrect information about this in its final response letter which said "as we appreciate that our engineers did incorrectly diagnose the root cause of the water...requested that you provide us with an estimate of the rendering so we could consider reimbursing these costs." British Gas wasn't able to provide copies of any call recordings and Mrs G wouldn't have had any reason to remove the rendering if it hadn't been suggested to her by British Gas. The adjudicator therefore recommended that British Gas should pay the cost of replacing the render and £200 compensation.

British Gas doesn't accept the adjudicator's assessment and so the matter has been referred 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.

Part of Mrs G's ceiling was also removed and, although it was plastered over, it doesn't match the decorative artex on the rest of the ceiling. The policy doesn't cover reinstating decoration and it appears that removing this was necessary to locate and repair the leak. I don't consider therefore that I can reasonably ask British Gas to do anything further in this regard.

However, I agree with the adjudicator that the evidence available (such as it is) does support Mrs G's assertion that she was told to have the render removed. There's nothing to support why she would have done this if it hadn't been because of what she was told by the British Gas contractor. He'd apparently ruled out all other possible causes of the leak and had left on 28 September without having fixed it. And British Gas's correspondence also seems to suggest that it accepted this.

The contractor that attended in December 2012 was able to find the leak and repair it on that day. British Gas may say that the previous visits had ruled out other possible causes but it seems to me that the overflow and the ball valves are common areas that cause problems, and they were situated near the leaks, but there's no evidence that these were checked on any of the previous visits.

Removing the render wasn't necessary and I don't think British Gas has provided any persuasive evidence that this was reasonable advice in the circumstances. And, as stated, I don't think Mrs G would have removed it were it not for what she was told by British Gas. I consider that British Gas should reimburse the reasonable cost of removing and reinstating the render.

British Gas has the chance to provide any evidence it wants about the cost of this before I issue my final decision.

I also don't think that British Gas dealt with this claim well overall. The leak was ongoing for around four months and Mrs G kept having to call British Gas out. Mrs G was put to the trouble of arranging removal of the render, has lived with it as it is since 2012 and is now also faced with the trouble and cost of having this reinstated. It seems to me that if reasonable investigations had been carried out, the leak could have been fixed a lot sooner than it was and without the disruption to Mrs G and her home. I therefore think that British Gas should also pay a total of £350 compensation for the distress and inconvenience caused to Mrs G by its handling of her claim.

my provisional decision

I intend to uphold this complaint against British Gas Insurance Limited and require it to:

- 1. reimburse the reasonable costs of removing and reinstating the rendering to Mrs G's property;*
- 2. add interest at 8% simple per annum to any cost she has already paid towards this; and*

3. pay a total of £350 compensation for the distress and inconvenience caused by its handling of this matter.”

responses to my provisional decision

I invited both parties to respond to my provisional decision with any further information or arguments they might have. British Gas confirmed it has nothing to add.

Mrs G has also responded. She accepts my provisional decision and has nothing to add but would like some clarity about whether she should get further quotes for the work required and if so, how many?

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.

As neither party has provided any further arguments I see no reason to change my opinion. For the reasons set out in my provisional decision, I consider that Mrs G wouldn't have incurred the cost of removing and reinstating the render to her property, if British Gas had dealt with her claim properly. It should therefore reimburse the reasonable costs of this, together with interest, and pay £350 compensation.

Mrs G has asked for clarity about what she needs to do next. Provided she accepts my provisional decision it will become binding on British Gas and it will be obliged to reimburse her the reasonable cost of the work. So she can provide the invoice or proof of payment (such as a bank statement or other verification) for the work done in removing the render.

Mrs G has provided one estimate (of £1,550 plus VAT). British Gas hasn't provided any argument or information to say that this is unreasonable. If Mrs G is still able to get that business to do the work for that estimate, then I confirm British Gas should reimburse that. However, I don't want to make an order that this exact amount is what should be reimbursed, as it may no longer be valid and it may cost Mrs G more. She should therefore investigate prices and can get up to three quotes to determine a reasonable price. And as I am going to order the British Gas reimburse the reasonable cost, if British Gas disputes the cost it would have to show either she didn't actually pay the amount claimed or that it was entirely unreasonable in amount.

Mrs G can also seek to agree the quote with British Gas before actually having the work done, if she wants assurance it won't dispute the amount.

my final decision

I uphold this complaint and require British Gas Insurance Limited to:

1. reimburse the reasonable costs of removing and reinstating the rendering to Mrs G's property;
2. add interest at 8% simple per annum to any cost she has already paid towards this from the date she paid for it to the date of reimbursement; and
3. pay a total of £350 compensation for the distress and inconvenience caused by its handling of this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 14 July 2017.

Harriet McCarthy
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