

complaint

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

background

I issued a provisional decision on this matter in February 2020, part of which is copied below:

"Mr C made a claim under his policy as the water tank in the loft of a property he lets out was leaking. British Gas said that it would install new water tanks. Its contractors attended and carried out the work, however while doing so they apparently moved the old tank, which Mr C says caused a further water leak and damage to the property. Mr C says the old tank was not meant to be moved at all and the new tanks were meant to be installed in a different part of the loft.

Mr C asked British Gas to remove the old tank from the loft space and fix the insulation, which had been taken up while the work was carried out (Mr C says the insulation material had been squashed by British Gas and so has lost some of its "U value", i.e. its insulating properties); and put the loft space back into the condition it had been in before British Gas did this work.

British Gas denied responsibility for any further water damage to Mr C's home. It said this was all the result of the initial water leak, which led to the claim in the first place. It said its contractors did move the old tank to one side, so the new tanks could be installed in the same place, as was agreed with Mr C. It says they drained the old tank down so it was empty before moving it. British Gas says the contractors then discussed with Mr C that it would be best to leave it in the loft, as it was corroded and might fall apart if they tried to move it and also if it needed to be cut up to get it through the loft hatch, it would cause a fire risk to use electric cutters in the loft.

Despite denying responsibility, British Gas agreed to repair the damage anyway. I understand this work has been done. It also agreed to remove the tank but only if Mr C signed a disclaimer in respect of any further damage that might be done while removing it. I understand it repaired the water damage to a ceiling and this is settled but Mr C did not agree to sign the disclaimer. Mr C still wanted the old water tank removed; the loft restored to its previous condition; and compensation for the way the claim has been handled.

One of our investigators looked into the matter. He recommended that it be upheld. He considered it likely that the old water tank wasn't supposed to be moved, given the respective positions of the tanks. He also noted that British Gas had offered in an email in October 2018 to remove the old tank and put back the misplaced/damaged insulation. The investigator didn't think this was fair to require Mr C to sign the disclaimer. The investigator also thought that British Gas should pay the sum of £200 compensation for the trouble caused by its handling of the claim.

British Gas didn't respond to the investigator's assessment.

Mr C did respond and has asked for more compensation. He also confirmed that he got his own contractor to remove the tank from the loft at a cost of £130 and replaced the insulation himself, as it needed to be completed before a new tenant could move in.

Mr C has asked that British Gas pay him the cost of the tank removal and £1,000 compensation for: his wasted time on visits to the property, organising the work, contacting British Gas and the contractors; writing letters and statements; the period of time he could not let the property; and ultimately having to do the work himself after he had had surgery, as he could not leave the property unlet any longer. Mr C has also asked for half the cost of fully reinsulating the loft (he said removing the insulation would cost £450 and, laying new insulation £650), and also a refund of the year's premiums for the policy, £456.

Mr C also says that he thinks the ongoing problems were one of the reasons the tenant moved out, as she didn't want contractors coming and going.

As the investigator was unable to resolve the complaint, it has been passed to me. In the meantime, Mr C has made a second complaint to British Gas because the new water tanks started leaking in October 2019 and caused damage to the property. This will have to be dealt with separately and I can't address this new issue in this decision.

my findings

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

It's difficult to know what was agreed before this work was started. It might well be that the old tank was not going to be moved. However, it was and it seems to me that part of the job would include removing the item that has been replaced. I note also that British Gas had agreed to do so. I therefore consider that British Gas should reimburse the £130 Mr C paid to have the tank removed.

There would naturally have been some disturbance to the installation while the contractors worked in the loft and made way for the new tanks and removed the old one. Mr C says this affected the insulating properties of the insulation and he would therefore need to remove all the old insulation and put new insulation in. He says he was told this would cost around £1,000 in total. He then confirmed he had re-laid the insulation himself. Mr C has provided some photos of the insulation he removed and some of an area inside the loft showing insulation which has been pushed aside and piled up.

British Gas's contractors should have repositioned any insulation they moved and made good the loft space after it fitted the new tanks. However, there is no independent evidence that the existing insulation is no longer effective or that it needed entirely replacing. Even if there were, British Gas would only be responsible for the cost of rectifying this, if it had been done negligently. I do not therefore consider there is enough evidence to require me to make British Gas pay towards this.

Mr C has also asked for a refund of the policy premiums as the policy did not provide him with the support he was expecting. I am not persuaded this is reasonable. Mr C made a claim under the policy which was met. He is disappointed with aspects of the claims-handling but that does not mean the premiums should be refunded, as he did receive the benefit of cover in return for the premiums paid, so I am not going to ask British Gas to refund them.

Mr C says this matter probably led to his previous tenant moving out and a delay in being able to re-let the property. There is no independent convincing evidence of this. It might well

have been annoying for his previous tenant to accommodate repair visits but there's no convincing evidence this led her to leave; or, more importantly, that this resulted in a financial loss to Mr C. He says there was also a delay in being able to re-let the property.

While I agree British Gas should have removed the old tank, the fact this was still in the loft and some insulation needed repositioning, would not in itself prevent a tenant moving in. I do not consider that any claim for loss of rent has been proven.

However, I do agree that some compensation is warranted for the trouble caused by the handling of this matter, to include the inconvenience to Mr C of having to reposition the insulation himself and arrange the removal of the tank himself, so that this was completed before a new tenant moved in. I consider the £200 recommended by the investigator to be reasonable.

my provisional decision

I intend to uphold this decision against British Gas Insurance Limited and require it to do the following:

- reimburse Mr C the cost of removing the water tank of £130, together with interest at 8% simple per annum from the date he paid for this to the date of reimbursement; and*
- pay him £200 compensation for the distress and inconvenience caused by the 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 want considered.

Neither party has responded.

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 no new evidence or arguments have been provided, I see no reason to change my provisional findings on this matter. I remain of the opinion that the cost of removing the old tank should be reimbursed, with interest, and British Gas should also pay £200 compensation.

my final decision

I uphold this decision against British Gas Insurance Limited and require it to do the following:

- reimburse Mr C the cost of removing the water tank of £130, together with interest at 8% simple per annum from the date he paid for this to the date of reimbursement; and
- pay him £200 compensation for the distress and inconvenience caused by the handling of this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 16 April 2020.

Harriet McCarthy
ombudsman