

complaint

Mrs J complains that a long delay in repairing her boiler caused by British Gas Insurance Limited ("BGI") has caused water damage in her home.

background

Mrs J had a HomeCare Two boiler insurance policy with BGI. She said that around four years ago, she noticed a leak coming from her boiler. She said that she'd asked on numerous occasions for an engineer to come and fix this problem. But none of the engineers who attended had taken any action to sort out the leak.

Mrs J said that she'd been told that fixing the leak would require an expensive procedure, which wasn't covered under her policy, but that wasn't true. It was only after she complained that BGI sent a service manager to look at the issue. He fixed it, and offered her £100 in compensation.

Mrs J said that the kitchen worktop underneath her boiler had been damaged by the intermittent leak, over a period of years. She didn't think that BGI's offer was fair.

BGI sent us the background to Mrs J's complaint, and a copy of her policy. It said that it wouldn't pay for repairs. Although it said that there may have been service failings, it hadn't caused the leak. And it thought that there must have been an element of damage already sustained which caused Mrs J to contact BGI in the first instance. BGI said it was willing to arrange a £30 goodwill payment to her.

Our investigator upheld this complaint. He said that the photos he had seen of the area underneath Mrs J's boiler showed damage to the worktop. He said that looked as if it had come about through sustained water damage. Mrs J was going to have to get this made good. He said that Mrs J had told him that she had been trying to get BGI to fix an intermittent leak to the boiler for years. BGI hadn't supplied much information, but the policy document that it sent through made clear that it was responsible for fixing the boiler.

Our investigator said that BGI should've fixed the leak once it appeared. And he thought that this damage wouldn't have occurred if BGI had been more proactive in fixing the leak.

Our investigator said that he didn't think that BGI's original offer of £100, plus its new offer of £30, would be enough to make up for what had happened. He thought that BGI should fix the water damage to Mrs J's worktop. It could either do the work itself, or pay for her to have this done. And he said that given how long this had gone on for, BGI should increase its offer of compensation to £250.

Mrs J said that while the problem had been going on, the shower in her home had intermittently gone from normal to either scalding or ice cold. So she said the compensation payment was a bit low. Our investigator explained his thinking, and Mrs J didn't continue to contest this.

BGI didn't agree with what our investigator suggested. It said that for it to agree that the delay in identifying the leak had caused the problem to get worse, it would have to see photographic evidence, to show whether there was any damage when the initial leak was reported, and to compare that to when its engineer completed a successful repair. And BGI

said that it would usually expect in cases like this that someone would claim on their household insurance.

BGI said that because of the delays in identifying the root cause of the fault, it would agree to pay Mrs J £250 in compensation.

Mrs J said that wasn't acceptable. She said that the service manager who visited and finally fixed the problem had told her that BGI would fix the damage to the worktop as well as pay Mrs J £100.

Because there was no agreement between BGI and our investigator, and Mrs J didn't want to accept BGI's offer, this case was passed to me for a final 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. I've reached the same conclusion as our investigator, and for broadly the same reasons.

The service records that BGI has sent us indicate that Mrs J first complained about a leak from her boiler in late 2014. This was eventually fixed in mid-2018.

BGI seems to me to have accepted that it was responsible for repairing this leak under Mrs J's policy, that it was aware of a leak in 2014, and that it didn't carry out a successful repair until 2018. It has also accepted that it should pay £250 in compensation.

The only outstanding issue for this decision is whether BGI should also have to repair the water damage to Mrs J's kitchen worktop.

Mrs J has shown us evidence of water damage underneath the boiler. BGI has argued that this damage could be what alerted Mrs J to the leak in the first place. And that would mean the damage was pre-existing, so not its fault. I understand that's possible. But I think it is simply more likely that Mrs J was alerted to the leak because the worktop was wet.

BGI also said that it didn't think it should have to pay for repairs unless Mrs J could show "before" and "after" photos, demonstrating that the damage had been caused by its delay in repairing the leak. I don't think it's reasonable to expect that Mrs J should have foreseen, in 2014, that this problem would go on for around four years, and so she should have taken pictures at that time. I don't think that BGI can reasonably say it's not responsible for repairs, simply because she didn't do that.

We know that there has been an intermittent leak for around four years. The length of time that this leak has been going on for does make me think that it is very likely that there would have been considerably less damage, if any, if the leak had been fixed promptly.

I also note that the service engineer who visited Mrs J, and finally fixed the problem, seems to have considered that BGI was responsible for the repairs. Mrs J sent us text messages showing that this engineer had made a compensation offer of £100. That evidence also separately refers to a form that has been completed "*regarding issue with work top ... so some should be in touch probably beginning of next week*". That makes me think that it's likely that BGI had, as Mrs J has told us, also offered to repair the damage.

In these circumstances, I think it's reasonable to ask BGI to make good the damage to Mrs J's worktop. So that's what I will require BGI to do. I think that BGI has to ensure that the water damaged area is made good, by sanding down and re-varnishing the area below the leaking boiler. Like our investigator, I think it's fair to allow BGI to choose whether to achieve that either by employing its own workmen to effect a repair, or by agreeing a quote with Mrs J, and paying on receipt of the resulting invoice for that work. So we asked BGI and Mrs J what they would each prefer. Mrs J said that she was happy with either getting quotes, or BGI doing the repairs. BGI said that it would prefer Mrs J to get three quotes, and it would pay for the lowest quote.

So I think that Mrs J should now get three quotes to make good the water damaged area, by sanding down and re-varnishing the area below the leaking boiler. BGI should pay for the cheapest of those quotes, on receipt of the invoice for the work.

my final decision

My final decision is that British Gas Insurance Limited must ensure that the water damage to the worktop underneath Mrs J's boiler is repaired, as set out above. And it must pay Mrs J £250 for the distress and inconvenience it caused her.

British Gas Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mrs J accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple¹.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 1 December 2018.

Esther Absalom-Gough
ombudsman

¹ If British Gas Insurance Limited considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mrs J how much it's taken off. It should also give Mrs J a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.