

complaint

Mr L is unhappy at the way British Gas Insurance Limited (BG) dealt with a claim he made on his home emergency cover policy.

Reference to BG includes its plumbing engineers, contractors and agents.

background

Mr L has a property which he rents to tenants. He has BG Homecare which provides cover for the central heating system including the boiler.

In late 2018 there was a problem with the hot water at the property which previous visits had failed to resolve. The technician who originally attended felt the problem was with the hot water system not the boiler itself. In October 2018 Mr L called BG to upgrade the cover to include plumbing and drains. He'd heard BG offer an initial repair for £69, plus annual cover at additional cost. So he signed up for the "*repair and cover*" option, and £8 was added to his monthly direct debit. The visit was arranged for 2 November 2018.

The problem was initially thought to be caused by a mixer tap constantly demanding hot water and causing the boiler pressure to drop. BG contractors attended on 2 November, and attempted a repair. They installed a lever handle and an isolation valve. But this didn't resolve the issue, which they thought was most likely to relate to leaks in the copper pipes rather than the boiler or plumbing within the property. As leak detection wasn't included in the initial repair visit Mr L was told he'd be responsible for the cost of any further work. Mr L feels no initial repair took place. And as any repair would inevitably involve tracing and accessing the fault, he considers it's unfair for the policy to exclude the cost of this.

Our investigator thought the terms of Mr L's policy were clear and leak detection wasn't covered as the BG contractors had concluded. So he didn't uphold the complaint. Mr L disagreed so it's come to me to make a 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. Having done so, I'm not going to uphold it. Let me explain why.

I can understand Mr L was frustrated that previous visits hadn't resolved the problem at his tenanted property. He'd heard about BG's "*repair and cover*" option, but the BG agent who set up the policy also told him about "*on demand*" where an engineer would carry out an inspection and provide a quote for the repair. I've listened to the call between the BG agent and Mr L. And I think it's clear Mr L wanted to keep his repair costs as low as possible, as he asked if he could have a discount on the £8 fee for upgrading his cover, as an existing BG customer. So I think he was relying on getting the problem resolved for £69. The policy did have certain exclusions which was explained to him by the BG agent over the phone, and followed by written confirmation of the terms and conditions.

During the call, the BG agent clearly explained the costs, and that the increased monthly payment of £39.73 would apply for the next two months as Mr L's Homecare policy was due for renewal in January 2019. The agent firstly told Mr L the initial repair would cover "*the first fault and any directly related fault to plumbing and drains for £69 including all taxes*". He

says the policy covers the plumbing system and water supply system within the property boundary, the cost of parts and labour, and up to £1,000 to gain access. The agent then goes on to explain the exclusions. I can hear he does tell Mr L the initial repair doesn't include the water supply pipe or cylinder repairs, or the cost of gaining access to make repairs. Mr L was also told about some other exclusions to the initial repair, which aren't relevant to this decision.

The agent also told Mr L the policy allows "*up to £1,000 to gain access*" and I note this is explained in the policy terms. But this latter point refers to the plumbing and drains Homecare policy itself, not to the '*initial repair*' covered by the fixed fee, which is a more basic cover. So this means that whilst Mr L does in fact benefit from that clause for any subsequent issues after the initial repair, he does not benefit from it for the initial repair itself where access is needed. So while I think it could have been made clearer, I'm satisfied that the BG agent did tell Mr L that the initial repair visit would only cover a fault which didn't require it to "*gain access*" to fix.

Further, in addition to the information during the call, Mr L was also sent the terms and conditions of the policy which said it covered "*One off home improvement and repair service*". Section 3 says it does not cover "*The cost of materials and labour needed to gain access to your system such as pipes or wiring buried in walls or built in appliances or lifting carpet or other floor coverings....*"

Mr L says the first visit didn't solve the problem so he didn't get the "*initial repair*" he's paid for, but I don't agree. The visit took place and a repair was attempted based on the original diagnosis of a problem being with the mixer tap. But the actual problem related to leaky water supply pipes, which required more extensive investigation to locate the source of the leak, as well as the actual repair work. Mr L wasn't specifically told leak detection was excluded, just that "*access*" was. BG's contractors were subsequently able to use specialist non-invasive leak detection equipment so it wasn't necessary to remove the floor coverings to identify the source of the leak. But even if access wasn't required to locate the source of the leak, access would be required to repair it, which isn't covered by the policy. .

I understand Mr L is unhappy at having to pay for the works needed to repair the leak, when he was hoping it would be resolved by an initial visit costing £69. But for the reasons explained above, I think he was told the initial visit wouldn't cover any work which required gaining access, either to identify the source of the problem or the actual repair. So under these circumstances, I don't think it's reasonable to expect to pay a fixed fee for an "*initial repair*" no matter how complex the job turned out to be.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 23 August 2019.

Sarah Milne
ombudsman