

## complaint

Mrs G complains about the service she received from British Gas Insurance Limited after she made a claim under her HomeCare insurance policy. In particular, she's unhappy with its level of communication, and that the policy was downgraded and her claim declined.

## background

Mrs G took out a HomeCare policy for her property on 28 February 2014, which was upgraded a few days later to include cover for plumbing and drains. A British Gas engineer went to the property to carry out a First Visit on 19 March 2014. (This had been deferred from 10 March at the request of the tenant). The engineer noted a leak under the floor on the hot water draw off. He believed the leak was pre-existing. He concluded that the central heating component of the policy cover couldn't be provided until the leak was repaired.

The policy says that British Gas won't be responsible for faults that existed before the policy was taken out.

Section 5.18 of the policy terms and conditions (which applies to all agreements, whether central heating or plumbing and drains) also says:

### *"First Service*

*If your Agreement includes a First Service, we will arrange to inspect your boiler and controls or gas central heating system or gas appliance (depending on what is included in your Agreement), to help make sure we can include them in your Agreement and that they are safe and in good working order.*

...

*Our engineer will fill in a service or breakdown checklist to show you what has been inspected. If your First Service reveals a problem (such as boilers for which we know we cannot get parts, or systems that are installed unsafely or which we cannot get to) we may:*

- *...*
- *Offer you a different product which will not include the parts of your system causing the problem which we cannot include in your Agreement; or*
- *Cancel your Agreement and refund any money you have paid". (My underlining.)*

So the policy was downgraded to remove central heating cover. The amended policy details were sent to Mrs G the following day. British Gas has said that Mrs G then contacted it a few days later and a visit was arranged that same day, at which time the engineer made the central heating safe. However, Mrs G says the engineer didn't attend and the leak was not isolated by British Gas.

The policy was later cancelled. British Gas reimbursed Mrs G's premiums. Mrs G complained to British Gas, and then to us. Mrs G is unhappy that British Gas didn't tell her directly about the fault that was found during the First Visit; although British Gas has said that the engineer did try to call her, but because the call won't have been made from their office, there is no record of that. Mrs G says this was a landlord's agreement and so she should have been told about the leak, not just her tenants. She believes that the delay in letting her know has led to further damage to the property. She believes British Gas should pay for that.

The adjudicator didn't recommend that the complaint be upheld. This was because she believed British Gas had acted reasonably and in line with the policy terms. It identified a

fault on the first visit and advised the tenant – who could reasonably be regarded as the authorised representative of the policyholder under those circumstances - that it was not covered. And it then downgraded the policy as it was entitled to do.

The adjudicator felt that the evidence was inconclusive as to whether the leak was pre-existing when the policy was taken out, although Mrs G maintains that it wasn't. She has now provided evidence from a loss adjuster and from the certified gas engineer who suggest that the leak was recent.

She has asked for an ombudsman to issue 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.

Since British Gas didn't cause the leak, it can't reasonably be held responsible for it or for any necessary repairs to it. The policy doesn't require it to carry out repairs when it identifies a problem on the First Visit and decides to cancel the policy for that reason; or if the problem is pre-existing. I'm also satisfied that there were no unreasonable delays by British Gas or its engineer which might have allowed further damage to be caused by the leak. In fact, British Gas' records show the engineer said he asked the tenants on the First Visit if he could isolate the water supply to the boiler only, in order to prevent the leak continuing, but they said no because they didn't want to be without hot water, although they weren't concerned about not having heating.

The engineer identified the leak and I'm satisfied that he notified the tenants at the time. Mrs G has also said that the tenant later told her they recalled the engineer saying there might be a problem with the policy. As well, a checklist was left at the property pointing out the fault. But Mrs G says the first she knew of the leak was when the tenants contacted her on 23 March to say there was water damage. However, British Gas can't be held responsible for the fact that the tenant may not have immediately passed on the information to Mrs G.

The amended policy information had also been sent to Mrs G the day after the first visit, and British Gas can't be held responsible if for some reason Mrs G did not receive that correspondence.

I appreciate that Mrs G has said this was a 'landlord's policy' and so she, and not just the tenants, should have been told directly about any problems with the property or the policy. But while the policy does make reference to 'Landlord Services' which can be purchased, British Gas has specifically said this was not a landlord's agreement, and I have seen nothing in the business file or documentary evidence which would confirm it is. In any case, I don't think it's unreasonable for the engineer to believe he was dealing with the authorised representative of the property/policy owner, in letting them know what he'd found. I'm satisfied that appropriate and reasonable steps were taken to inform Mrs G promptly about the issues, so as to put her in a position to deal with them.

Mrs G says that her concern is about the plumbing and drains cover, as opposed to the central heating cover. She believes leaking pipes should be covered under that component of the policy, and points out that the only problem with the boiler was the fact that the pipe was leaking. But the policy doesn't require British Gas to deal with repairs under either component of the policy if they are for pre-existing faults. The engineer was of the opinion on

the First Visit that the leak was pre-existing; and the engineer reported that the tenants had told him on that occasion that the heating hadn't been working properly for some weeks prior to the visit. I don't think it's unreasonable for British Gas to have acted on the report of its engineer in treating the issue as pre-existing, and in dealing with the policy and the claim on that basis. I acknowledge the information Mrs G has provided from a loss adjuster and from another engineer, suggesting that the leak was more recent; but I believe it's appropriate under the circumstances to give more weight to the engineer who inspected the property at the time.

In any case, even if the leak wasn't pre-existing, I'm satisfied that British Gas was entitled to cancel both components of the cover because of the fault that was found on the First Visit, and not to deal with the claim on that basis.

I appreciate Mrs G has had the worry and expense of this problem, but I don't think British Gas can reasonably be held responsible for that.

**my final decision**

For the reasons above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs G to accept or reject my decision before 29 June 2015.

Helen Moye  
**ombudsman**