

## **complaint**

Mr K complains that British Gas Insurance Limited is responsible for poor service in connection with a home emergency insurance policy.

## **background**

Mr K had British Gas insurance cover for his central heating boiler and system (but not for other plumbing and drainage such as his bath). His central heating boiler was mounted on a wall over a work surface in a utility room.

Where I refer to British Gas I refer to the insurance company of that name and I include engineers and others for whose actions I hold that company responsible.

Mr K reported to British Gas that his boiler was leaking water. British Gas attended on 24 and 27 December 2018 but found no leak from the boiler.

On about 22 January 2019 Mr K instructed a third party engineer who found the leak from the boiler. British Gas visited and did some work to repair that leak.

Mr K complained that British Gas should reimburse him the third party's invoice for £250.00. He also complained that the leak had damaged the worktop and that British Gas should also pay him compensation for his distress.

In its final response letter in March, British Gas said the third party engineer's invoice was unreasonable, as he only diagnosed the issue and didn't repair it. But the final response letter said British Gas would pay Mr K the £250.00 in addition to £100.00 for a new worktop.

Our investigator recommended that the complaint should be upheld. She thought that - because British Gas failed to diagnose the leak on either visit in December 2018 - Mr K was out of pocket for the third party engineer of £250.00 and for the worktop of £100.00. She recommended that British Gas should pay Mr K £100.00 compensation in addition to the £350.00 paid for his out of pocket expenses.

Mr K accepted the investigator's opinion.

British Gas disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint. It says, in summary, that:

- Mr K had the worktop replaced without giving British Gas the opportunity to inspect and repair it if appropriate. Whilst it agreed to reimburse the £100.00 for the worktop, this was as a gesture of goodwill. British Gas views this as its offer of compensation.
- The charge of £250.00 was unreasonable as no repair was carried out and this was for a diagnosis only. However, in view of the inconvenience to Mr K, British Gas agreed to reimburse this cost.

## **my findings**

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

From the photographs, I've seen a vertical board attached to the wall below the boiler.

The policy covered up to £1,000.00 including VAT for getting access to make repairs and making good afterwards. The policy didn't cover repairing water damage unless British Gas caused it.

I don't think British Gas caused the initial leak. There was already a leak when Mr K contacted British Gas – that's why he contacted British Gas.

From its work history, I can see that on 24 December British Gas suggested the leak was coming from the bathroom upstairs.

I accept Mr K's statement that more water leaked on 25 and 26 December. On 27 December British Gas again said there was no leak from the boiler.

British Gas misdiagnosed the leak without removing the board to make access under the boiler. British Gas misdirected the attention of Mr K towards the upstairs bathroom.

From what happened later I find it likely that the boiler continued to leak. And a few weeks went by before the third party engineer visited.

I've seen a photograph of some pipes under the landing floor. So I accept Mr K's statement that two men from the third party engineer spent three and a half hours making access and tracing the leak. So I don't find the invoice of £250.00 unreasonable.

From a handwritten note on the invoice I accept that Mr K paid it on 22 January. He was out of pocket by that amount.

Mr K says he got the worktop replaced in February. Neither he nor British Gas has been able to send us a copy of the invoice for that.

British Gas reimbursed the £250.00 but I consider that this compensated Mr K for his financial loss of that amount. It didn't compensate him for anything else.

The British Gas final response is unclear as to when it reimbursed the £250.00. On balance I think the reimbursement followed after the final response dated 18 March. So Mr K was out of pocket for about two months. And I find it fair and reasonable to direct British Gas to pay interest at our usual rate.

The British Gas final response didn't question the £100.00 for the worktop – nor say that it was paying it as a gesture of goodwill or as compensation. So – whilst Mr K can't show what damage happened when – I don't find it fair and reasonable to say that the £100.00 was compensation for anything other than damage to the worktop.

As I haven't seen evidence of when Mr K paid the £100.00, I don't find it fair and reasonable to direct British Gas to pay interest.

From what Mr K said in his initial complaint, I don't think the misdiagnosed leak ever caused him to turn the central heating off other than at night.

But I hold British Gas responsible for the two unproductive visits in December. I also hold it responsible for misdirecting Mr K's attention to the upstairs bathroom – which led the third party engineer to disrupt the floor on the landing. I don't doubt that all this caused Mr K some extra distress and inconvenience when he was already suffering a leak.

I don't find that British Gas has done anything to compensate for that distress and inconvenience. I find it fair and reasonable to direct British Gas to pay Mr K £100.00 for distress and inconvenience.

**my final decision**

For the reasons I've explained, my final decision is that I uphold this complaint. I direct British Gas Insurance Limited to:

1. pay Mr K simple interest at a yearly rate of 8% on the £250.00 invoice from 22 January to the date it reimbursed him. If British Gas considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it must tell Mr K how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
2. pay Mr K £100.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 7 December 2019.

Christopher Gilbert  
**ombudsman**