

complaint

Mr and Mrs B have complained that British Gas Services Limited (BG) said it wouldn't undertake a repair under their home insurance policy when they had a leaking pipe.

background

In February 2017 Mr and Mrs B had a leak from a pipe so contacted BG with whom they'd had a home insurance policy for many years. Mr and Mrs B say that when BG's engineer arrived he said that because of a restriction that BG had placed on their home insurance policy in 2012, the policy didn't cover any repair. Mr and Mrs B say they'd never been told by BG that any restriction had been placed on their policy, and if they'd known this, they wouldn't have continued to pay premiums for the last five years. They say that the engineer didn't carry out any investigation into the source of the leak.

BG says that the reason its engineer didn't do a repair was because when he visited, Mr and Mrs B were having work done to their bathroom and that this was the cause of the leak. It says Mrs B confirmed this to the engineer but Mr and Mrs B deny this. BG said that it can't repair a fault caused by a third party. So Mr and Mrs B had the leak fixed by another engineer at a total cost of £1150. BG offered Mr and Mrs B £136.20, which was a refund of six months premium. Mr and Mrs B have rejected this and want repayment in full of five years premiums and to be reimbursed for what it cost them to have the leak repaired by another engineer.

Our investigator's opinion was that BG should cover Mr and Mrs B's claim for repairs in line with the terms and conditions of their policy, and that it should also pay Mr and Mrs B £100 compensation for the manner in which they had been treated by BG's engineer. But he didn't agree that Mr and Mrs B should receive a refund of their premiums as they had benefitted from having the policy.

BG doesn't agree with our investigator's opinion, so the matter's been referred to me to make 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'm going to uphold Mr and Mrs B's complaint, and I'll explain why.

BG has said that Mr and Mrs B would've been aware that their policy was subject to a restriction because they would have been told this by the engineer who visited in 2012. BG says that nothing was put in writing to Mr and Mrs B confirming this. No adjustment was made to their policy to reflect the fact that it was going to provide reduced cover.

I don't think it's fair or reasonable for BG to continue to take a full premium from Mr and Mrs B without making it clear to them that their cover has been reduced. I think it's insufficient for BG to rely on what an engineer might have told Mr and Mrs B. So I'm going to treat their policy as continuing without restriction.

In that case, BG's engineer should've investigated the cause of the leak and repaired it if the cause of the leak was something covered by the policy. BG say the policy doesn't cover damage by third parties, but Mr and Mrs B say that there was no third party present and responsible for the leak. As BG's engineer didn't carry out any investigation, I don't think BG is in a position to say that the leak wasn't covered by their policy.

I've seen a copy of an invoice from the third party engineer who Mr and Mrs B employed to repair their leak. I think it's reasonable to require BG to pay this to the extent that the work it covers is work that BG would've carried out under the policy. If any of the work that Mr and Mrs B paid for was work that wasn't covered by their policy, then I don't think it would be reasonable to require BG to pay this.

I also think it's reasonable for Mr and Mrs B to be compensated for the trouble and upset I accept that they experienced in BG's handling of this matter. I consider £100 is an appropriate amount.

my final decision

My final decision is that I uphold Mr and Mrs B's complaint and require British Gas Services Limited to reimburse to them the amount that they paid for the repair of their leak in line with the terms and conditions of their policy.

I also require British Gas Services Limited to pay Mr and Mrs B the sum of £100 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 12 February 2018.

Nigel Bremner
ombudsman