

complaint

Mr and Mrs B are unhappy with British Gas Services Limited in connection with their landlord protection policy its provides.

background

There was a leak and BG went out to trace its source and fix it. The plumber that attended though said water was getting through grouting which had been damaged by the ground below the house shifting. He said the shower would need to come off and all the grouting re-done. Mr and Mrs B called their builder who had put in the shower. He made some access holes, found a leaking boiler pipe and fixed it. He made good the area. He charged £1,164.

BG apologised for the poor assessment its plumber had made and acknowledged he hadn't been qualified to make such a determination. But it said it would only have cost it £500 to do the work covered by the policy, so it would settle with Mr and Mrs B for half of their bill. BG said the £1,164 included replacing a ceiling – not just making good the access hole and painting, which the policy wouldn't cover. It said it would review its settlement if a further breakdown was supplied.

Mr and Mrs B said their builder couldn't reasonably be expected to do this. They pointed out they had done some re-grouting of the shower and they hadn't asked for compensation. BG said it wouldn't pay more for the work but would pay £100 compensation.

Our adjudicator felt that a fair settlement would be for BG to pay Mr and Mrs B's costs but minus £100 for painting. BG didn't agree, it still felt its offer, given Mr and Mrs B hadn't provided a full breakdown, was fair and reasonable. While our adjudicator didn't think BG should pay more compensation, Mr and Mrs B accepted the suggested settlement.

my findings

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

BG can't rely on what it would cost it to do the work because it didn't do it. It did offer to assess the boiler when Mr and Mrs B told it its plumber had got the diagnosis wrong, but not to repair the leak. In any event, it was reasonable for Mr and Mrs B's builder to take on tracing the leak in order to defend the accusation that had been levelled about his work in installing the shower. And, once he'd traced it, it was reasonable for him to fix it. The breakdown of work on the invoice is quite detailed although each piece of work isn't individually priced.

There are two things that BG doesn't want to pay for on the invoice; painting and ceiling replacement. Everyone accepts the cost of painting is excluded.

I think it is possible that the ceiling replacement isn't, strictly speaking, covered by the terms of the policy. But we always expect policy terms to be applied fairly. Here I see the builder suggested replacing the ceiling because it was so wet. But he also notes the area isn't very big – so it seems likely to me that the cost of replacing it all, as opposed to patch repairing the access hole, might not be much different anyway.

Furthermore, when BG's plumber gave poor advice about the shower, the residents stopped using it. But they didn't stop using the boiler. So the leak continued for longer than it reasonably should have done until the leak on the boiler pipe-work was found and fixed. So the ceiling was wetter than it would have been had the BG plumber provided an appropriate diagnosis – which Mr and Mrs B were reasonably entitled to expect.

On balance, I think it's fair, on this occasion, to say that BG has to cover the cost of the ceiling being replaced. The total invoice amount is £1,164. Our investigator suggested £100 be removed for the cost of painting. BG said the builder likely charged more than that given a comment Mr and Mrs B had made about his usual hourly rate. Whether or not the builder usually has a high hourly rate, that isn't reflected in the invoice, which seems reasonable for the work entailed. I think a deduction from the invoice cost of £100 to allow for the cost of painting is fair and reasonable. I also think interest on the outstanding amount fairly has to be paid as Mr and Mrs B have been without these funds.

I think this was inconvenient for Mr and Mrs B as landlords of the property. I note BG has paid £100 compensation and apologised. I also note that Mr and Mrs B's main aim here was to get fair settlement for their outlay. The plumber's advice was exceedingly poor and well beyond his remit and qualifications but we can't punish insurers for their failings.

Overall I think the above settlement for the claim, along with the £100 compensation paid by BG already, fairly and reasonably resolves this situation. BG has already paid £582 against £1,164 which leaves £582 outstanding and I've said there's £100 to be deducted for painting. So that leaves £482 for BG to now pay.

my final decision

I uphold this complaint. I require British Gas Services Limited to pay Mr and Mrs B £482, plus interest* from the date the invoice was paid until settlement is made. This must be paid within 28 days of the date on which we advise that Mr and Mrs B have accepted my decision (if they do).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 10 November 2017.

Fiona Robinson
ombudsman

*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. If British Gas Services Limited considers that it's required by HM Revenue & Customs to take off income tax from any interest due to Mr and Mrs B, it should tell them how much it's taken off. It should also give Mr and Mrs B a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.