

The complaint

Mr M and Mrs Z complain about how British Gas Insurance Limited (BGI) handled and settled a claim they made under their HomeCare policy following an escape of water.

What happened

Mr M and Mrs Z held a HomeCare policy with BGI, which includes plumbing and drains cover, home electrical cover and repairs to their boiler.

In November 2023, Mr M and Mrs Z contacted BGI to report an escape of water in their kitchen. BGI instructed an engineer, from a company which I'll refer to as "D" within this decision, to attend Mr M and Mrs Z's home to determine the cause of the leak.

D visited Mr M and Mrs Z's property on 15 November 2023. The engineer identified the source of the leak and said it was emanating from the dishwasher. They noted that an integrated pipe in the dishwasher had split. But, as Mr M and Mrs Z didn't have the benefit of appliance cover, D wasn't able to repair the split pipe.

On 20 December 2023, Mr M and Mrs Z contacted BGI again. This time, they explained that their kitchen and hallway flooring was damaged as it was starting to bulge as a result of water escaping from the stopcock. They complained to BGI that D ought to have checked whether the stopcock was leaking during its visit five weeks previously and stated that, had it done so, their property wouldn't have sustained the damage it had.

As Mr M and Mrs Z had cancelled their HomeCare policy shortly after November's visit from D, they weren't able to set up a claim under that policy. So, BGI set up a repair and cover policy to enable it to instruct D to attend to undertake a repair. It didn't charge Mr M and Mrs Z for this policy and it scheduled a visit for D to attend their home on 21 December 2023.

When D visited Mr M and Mrs Z's property on 21 December 2023, it confirmed that a severe leak from the stopcock had caused damage to the flooring in their kitchen and hallway. The stopcock was replaced without a charge being incurred by Mr M and Mrs Z. But BGI wouldn't cover the cost of replacing the damaged kitchen floor as it disputed the connection between the stopcock leaking and the investigative work undertaken during D's visit on 15 November 2023. It did, however, accept that Mr M and Mrs Z had experienced poor service and offered to pay them £500 in compensation to recognise that.

Being dissatisfied with how BGI had resolved their complaint, Mr M and Mrs Z asked our service to investigate what had happened. Our investigator assessed this complaint and empathised with Mr M and Mrs Z. But they didn't recommend upholding their complaint. They weren't persuaded that BGI had caused the escape of water or had reason to check the stopcock during November's visit. And they were satisfied the compensation BGI had offered to Mr M and Mrs Z was fair given the poor service they'd experienced.

BGI agreed with our investigator's view of this complaint. But Mr M and Mrs Z disagreed and asked an ombudsman to decide their complaint.

What I've decided – and why

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

I've read and considered all the information provided by Mr M and Mrs Z and BGI, but I'll concentrate my decision on what I think is relevant to decide the complaint. If I don't comment on any specific point it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

My role is to assess whether I think BGI made a mistake, or treated Mr M and Mrs Z unfairly, such that it needs to now put things right. And, having thought carefully about everything they and BGI have said, I've reached the same conclusions as our investigator reached in their view of this complaint. I appreciate Mr M and Mrs Z will be disappointed by this outcome. But I hope they can understand the reasons behind my decision.

This service is an informal dispute resolution service. When considering what's fair and reasonable, I'm required to take into account a number of matters, which include relevant law and regulations, regulators' rules, guidance and standards, codes of practice, the terms and conditions of any insurance policy and, where appropriate, what I consider to have been good industry practice at the relevant time. I'm not limited to the position a court might reach.

I can see that Mr M and Mrs Z want our service to obtain and listen to call recordings which they say are critical to the understanding of their complaint. I'm satisfied that our investigator requested all relevant call recordings from BGI. But it's confirmed they are no longer available.

I understand that Mr M and Mrs Z are unhappy that the call recordings are unavailable. But this isn't unusual given the passage of time. I'm satisfied BGI has complied with its duty of disclosure and isn't holding the recordings back as Mr M and Mrs Z appear to believe.

As the call recordings are unavailable, I can't take them into account or speculate as to what they may have contained. I've therefore decided this complaint on the business records BGI has shared with our service, photographs provided and the submissions it and Mr M and Mrs Z have made about this complaint.

The first part of Mr M and Mrs Z's complaint relates to whether D undertook a proper assessment of the issue reported during its visit on 15 November 2023 and whether the investigative work it undertook caused or contributed to the issues reported the following month. So, I'll address this part of the complaint first.

I've satisfied, based on the available evidence, that the escape of water Mr M and Mrs Z reported in November 2023 was caused by the fill pipe to the dishwasher splitting. This pipe was integrated and therefore part of this appliance. The leak in November 2023 wasn't caused by a leaking or faulty stopcock.

As I set out in the background to this complaint, Mr M and Mrs Z's policy with BGI includes plumbing and drains cover, home electrical cover and repairs to their boiler. It doesn't cover appliances. So, D wasn't obliged to repair the fault with the dishwasher fill pipe. And it was correct for BGI to inform Mr M and Mrs Z that D was unable to repair this issue on 15 November 2023 due to an absence of cover.

Mr M and Mrs Z reported a second escape of water on 20 December 2023. This was over five weeks following D's initial visit. D attended Mr M and Mrs Z's home for a second time.

This visit took place on 21 December 2023, which was a prompt response to the concerns Mr M and Mrs Z had reported the previous day.

From the evidence I've seen, it's clear that the escape of water in December 2023 was a second leak. I say this because Mr M and Mrs Z say they hadn't used the dishwasher since D identified that the pipe had split causing water to leak. So, water couldn't be escaping from the dishwasher in December. It had to be coming from another source.

I'm persuaded that December's escape of water was much more serious than the leak reported the previous month. I say this because the kitchen and hallway flooring sustained significant water damage and the issue was described by D in its report following its visit as a "*severe leak from stopcock*".

Like our investigator, I'm not persuaded that the investigative work undertaken by D during its initial visit to Mr M and Mrs Z's home on 15 November 2023 caused or contributed to the stopcock leak, which occurred over five weeks later. I'll explain why.

I'm satisfied that D didn't undertake any work on the stopcock or within that locality at the time of its initial visit. I understand that the stopcock is located several kitchen cabinets away from the dishwasher. It's not connected to the spit pipe in the dishwasher. So, the investigative work by D on 15 November 2023 didn't impact the stopcock or the integrity of any pipework.

I'm also persuaded that, if the stopcock had been leaking at the time of D's initial visit, damage would have been caused much sooner. Put simply, it wouldn't have taken over five weeks for damage to become evident. This all satisfies me that the escape of water from the stopcock is not connected to the leak from the dishwasher. I can see this is the same conclusion that BGI reached when it reviewed what had happened with D.

Mr M and Mrs Z contend that D ought to have checked the stopcock and integrity of the pipes in the kitchen during its visit in November 2023. But I'm not persuaded that's reasonable here. I say this because it had identified that the source of the escape of water was emanating from the dishwasher. And in circumstances where the source of the leak had been found, our service wouldn't expect an engineer to continue to check all pipework in a room unless a policyholder had shared concerns about any other issues. Here, Mr M and Mrs Z didn't do that.

In the overall circumstances of this complaint, I'm not satisfied it would be fair to expect D to check every pipe. And I'm persuaded it wouldn't be reasonably foreseeable that a second escape of water would occur from an unrelated issue five weeks later. It follows that BGI hasn't made an error here in the service provided by D during the initial visit.

The terms that apply to Mr M and Mrs Z's policy set out in clear terms how claims for loss or damage are settled by BGI. They say:

"We're not responsible for any loss of or damage to, or cleaning of property, furniture or fixtures as a result of your boiler, appliance, system or electric vehicle charger breaking or failing unless we caused it"

As I've explained BGI didn't cause the second escape of water or the damage to Mr M and Mrs Z's property. And it couldn't have reasonably anticipated the problem that was reported in December 2023. So, it isn't liable for the damage the property sustained. And this means that I won't be directing BGI to repair the damage that Mr M and Mrs Z's property sustained.

I'll turn now to the second part of Mr M and Mrs Z's complaint, which is about the service they experienced when attempting to progress their claim with BGI.

I'm pleased to see that BGI has accepted it delivered some aspects of poor service. There was poor communication and Mr M and Mrs Z had to make numerous calls to BGI to progress their claim. They also had multiple case handlers and experienced missed appointments. And they were without heating and hot water for 48 hours. As there were vulnerable people residing within the home, this caused additional trouble and upset.

However, while there was poor service in places I also want to acknowledge where good service was provided by BGI. I've already mentioned that Mr M and Mrs Z cancelled their HomeCare policy shortly after D's initial visit. So, when they contacted BGI on 20 December 2023 to report a new escape of water there was no active policy in place to cover issues with plumbing and drains.

BGI could have informed Mr M and Mrs Z that it wasn't obligated to assist them given the policy cancellation. However, instead, I can see it went to great trouble to try and offer a solution to the issue. It set up a repair and cover policy and waived the £79 charge for that policy. As this was a new policy I'm satisfied the charge was valid. I wouldn't have told BGI to waive that charge as part of this decision.

Setting up the new policy enabled BGI to instruct D to attend Mr M and Mrs Z's home. It scheduled this visit promptly; it taking place the day after Mr M and Mrs Z reported the second escape of water. And during this visit, D quickly remedied the issue, replacing the stopcock and preventing a further leak at no cost to Mr M and Mrs Z.

BGI also offered to pay Mr M and Mrs Z £500 in compensation for the poor service they'd experienced. I understand it had initially offered to pay them £300. But it increased that offer to £500 following discussions with Mr M and Mrs Z. I'm satisfied this demonstrates that BGI was empathetic and responsive to the concerns Mr M and Mrs Z had shared with it.

It appears that Mr M and Mrs Z are unhappy with the amount of compensation offered. So, I've carefully assessed whether the amount BGI offered is reasonable here.

We aren't here to punish businesses. And, when deciding what potential compensation to award, I must take two things into account: financial loss as a result of any business error and non-financial loss, including inconvenience and upset.

Mr M and Mrs Z haven't shared any evidence to show that they incurred a financial loss as a result of the poor service they received. So, I can't make a compensation award here that covers financial loss.

When considering awards for non-financial loss there isn't a set formula that we use to calculate awards for particular errors. It's my role to consider what impact the business' actions have had on the consumer and to decide, within guidelines set by our service, whether compensation would be appropriate in the circumstances.

It's clear that Mr M and Mrs Z were caused trouble and upset as a result of poor service. They were inconvenienced by what happened and I don't doubt they'd have been frustrated. I'm satisfied that an award of compensation is appropriate to reflect their trouble and upset and I'm persuaded that the £500 compensation offered by BGI to resolve this complaint is fair and proportionate to what happened. It's in line with our approach in similar scenarios and it's what I would have directed BGI pay if no recommendation had been made.

In the overall circumstances of this complaint, I'm satisfied that the compensation offered by BGI is fair and reasonable. I haven't seen enough evidence to persuade me that a higher award is warranted here. So, I'm not intending to increase the compensation offered already. If it hasn't already, BGI should pay Mr M and Mrs Z £500 in compensation to resolve this complaint.

I realise Mr M and Mrs Z will be disappointed with this decision. But this now brings to an end what we, in trying to resolve their dispute with BGI, can do for them. I'm sorry we can't help Mr M and Mrs Z any further with this.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs Z to accept or reject my decision before 14 January 2025.

Julie Mitchell
Ombudsman