

## **complaint**

Mr M complains about poor customer service by British Gas Insurance Limited (“BGI”) after he called on it under his home emergency insurance policy when he had a gas leak at his house.

## **background**

I issued a provisional decision on this complaint on 19 September 2019, a copy of which is attached to, and forms part of, this decision.

Mr M said he had no further comments. BGI responded to say, in summary, that:

- its engineer had acted correctly in trying to locate and fix the leak. It didn’t agree any confusion was caused during his visit;
- its service manager said he had twice tried to contact Mr M, and had left a message on Mr M’s voicemail, and it had no reason to doubt him; and
- the only thing BGI got wrong was sending a demand for an excess payment that wasn’t due.

It thought the £50 it had already offered was fair and reasonable compensation, and didn’t agree that it should pay anything more.

## **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’ve considered the further comments BGI made. However I still think BGI’s engineer could have done more to explain to Mr M why the required repairs weren’t covered by the policy terms (which he didn’t understand), or arrange for someone else at BGI to do so. And Mr M disputes that BGI’s service manager called him back.

So I remain of the view that fair compensation for the distress and inconvenience BGI caused Mr M is that in addition to the £50 it has already paid him BGI should pay Mr M a further £100.

## **my final decision**

My decision is that I order British Gas Insurance Limited to pay Mr M a further £100, in addition to what it has already agreed to pay him, for the distress and inconvenience it caused him.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M to accept or reject my decision before 15 December 2019.

Lennox Towers  
**ombudsman**

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COPY OF MY PROVISIONAL DECISION OF 19 SEPTEMBER 2019

**complaint**

Mr M complains about poor customer service by British Gas Insurance Limited (“BGI”) after he called on it under his home emergency insurance policy when he had a gas leak at his house.

**background**

Mr M had a home emergency insurance policy with BGI. In August 2018 there was a smell of gas at his house so he called on BGI.

BGI's engineer came the same day. The gas pipes were concealed within box work, and under flooring. The engineer asked Mr M to open the box work, but no leak was found in those pipes. He asked Mr M to remove the flooring and skirting boards so he could access the other pipes. He said he would return the next day when this had been done.

Mr M did so, and the engineer came back the next afternoon. When he saw the gas pipe, he said it wasn't of a standard acceptable to BGI. It wasn't properly supported throughout its length and used compression joints which weren't accessible. He said the pipe would have to be replaced. And because the pipework had been in place, but hidden, when Mr M first took out his policy and BGI inspected his system, Mr M would have to pay for this work.

The engineer told him the cost would be in the region of £1,300. Mr M arranged for another gas engineer to install a replacement pipe. However he was left with flooring and skirting boards damaged by being removed. He didn't think this needed to have happened because a replacement pipe could have been run outside his house.

Mr M said he and his family had been without heating and hot water for 7 days until his engineer rectified the fault. BGI charged him a £60 excess on his policy and threatened him with debt collectors if he didn't pay this. He thought the work and reinstatement should have been covered by his policy. So he complained to BGI who said, in summary:

- it had acted reasonably in trying to locate the gas leak so it could be mended. It wouldn't normally suggest rerunning a pipe as a first solution;
- its engineer had said access to the pipe was needed, and Mr M agreed to take up the flooring. Under the policy terms BGI wasn't responsible for restoring floor coverings;
- when this was done, the gas leak couldn't be eliminated. So a replacement pipe was needed;
- the engineer found the pipe hadn't been installed correctly, which happened before the policy began. Under the policy terms this was classed as a pre-existing/design fault for which BGI wasn't responsible, and which couldn't reasonably have been discovered on BGI's first inspection visit; so the engineer correctly told Mr M that he would have to pay for the work to be done;
- it didn't accept it was responsible for the time Mr M and his family were without heating and hot water because its engineer offered to repair the fault the day after he found the faulty pipework;
- it offered a goodwill payment of £50 because of delay in providing a quote, and miscommunication with its service manager, and the distress this caused; and
- it agreed the £60 excess should not have been charged as the repair wasn't completed and refunded this.

Mr M wasn't satisfied with BGI's response and complained to us. He said, in summary, that:

- he was unhappy that he had to open his box work and take up his flooring, but BGI wouldn't meet the cost of making this good;
- thought if there was difficulty in getting access to pipework that BGI should have rerouted the pipework at the outset;
- although BGI said the problem was the way the pipework was installed, it had acknowledged that it didn't find any leaks in the compression joints; and
- he thought BGI should compensate him for the stress he and his family had suffered.

Our adjudicator recommended that this complaint should be upheld in part. She thought that as there was a gas leak, and given the consequences of not trying to locate this, BGI's engineer hadn't acted unreasonably in trying to find the source of the leak.

BGI was entitled to say Mr M needed to provide access to the pipework. Whether he did this himself or employed a builder to do so, she couldn't say that damage to the box work, skirtings and flooring would have been avoided. And under the policy terms BGI wasn't responsible for making this good.

Once the pipework was exposed, BGI wasn't responsible for fitting a replacement pipe under the policy. She quoted a policy term which said:

*"repairs or a replacement of your gas meter, gas pipework or any gas appliance(s) is not included under the policy terms."*

Although BGI didn't give him a written quote for the work required, it gave him a verbal estimate, but Mr M then said he would employ his own contractor.

BGI's service manager didn't call back Mr M, but the adjudicator thought the £50 BGI had paid was reasonable compensation for this.

Mr M received two letters from BGI charging him a £60 excess under his policy, and warning his details would be passed on to a debt collection agency if this wasn't paid. This caused Mr M upset, and he paid the charge to avoid further action. BGI had acknowledged he shouldn't have been charged this as it didn't complete the repair, and had refunded the charge.

The adjudicator thought BGI should pay Mr M a further £150, in addition to the £50 it had already paid him, as compensation for the three days Mr M and his family were left without heating and hot water before he decided to use his own engineer, and for the upset caused by chasing him for the excess it wrongly charged him. She also said it should pay him interest on the £60 from the date he paid it until it was refunded.

BGI didn't accept the adjudicator's recommendation. It said its initial visit was on 9 August 2018, when its engineer said he would need access to the pipework under the flooring. He returned the next day and established the pipework had been fitted incorrectly. As this was a pre-existing fault he told Mr M the repair would be chargeable, and gave a verbal quote for the remedial work. It said the quote was given on 11 August 2018. However Mr M told the engineer he would instruct his own engineer to do the work.

On the basis of this timeframe, BGI didn't agree it was responsible for causing significant distress and inconvenience. It had apologised for its mistake in relation to the excess charge and had refunded this. It had paid Mr M £50 as compensation for the missed call backs, and didn't believe the suggested further compensation of £150 was justified.

Mr M responded to say, in summary, that:

- BGI's engineer told him he had to lift the flooring. If the engineer had said BGI would arrange for a builder or carpenter to do this Mr M wouldn't have attempted this and the likelihood of damage would have been less;
- the whole length of the pipework wasn't actually exposed, but no leaks were found on the pipework and compression joints that were exposed. So it didn't seem reasonable for BGI to say there was a pre-existing fault; and
- if the engineer had told him at the outset that access to the pipework couldn't be gained, then fitting a new pipe would have been covered under the terms of his policy.

As neither party agreed with the adjudicator's recommendation, this complaint has been passed to me to issue a decision.

### **my provisional findings**

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

BGI has explained that when a gas leak was reported it would always first try to locate the source of the repair and repair it. It wouldn't initially consider rerouting the gas pipe as this isn't a straightforward job, and isn't something that can be done by every engineer due to the equipment that's needed.

Under the policy terms and conditions BGI isn't responsible for restoring flooring and woodwork to its original condition, only for filling in holes and leaving a level surface. So I think BGI's engineer acted reasonably in asking Mr M to open the box work and lift the flooring to provide access to the pipework.

Mr M could have employed a builder or carpenter to do this so as to minimise the damage caused. But he chose to do this himself. I don't think BGI's engineer is at fault for not suggesting to Mr M that he consider employing a builder or carpenter. Once the pipework was exposed, BGI's engineer saw that it hadn't been installed to a standard that BGI requires before it will accept it for a policy.

We think it's reasonable that an insurer can tell a customer what risks it will insure under the policy, and what risks won't be covered. BGI explains in the policy terms that it won't be responsible for pre-existing faults. The underfloor pipework wasn't of the standard BGI required because it wasn't supported adequately throughout its length and used compression joints which were concealed under the floorboards.

BGI checked the system when Mr M first took out the policy to identify any faults that would prevent the system being accepted for cover. But the faulty pipe was hidden under the floorboards, and only became apparent when the leak arose and the flooring was taken up.

At that stage I think BGI was entitled to say that the faulty pipe wasn't covered by the policy. It was willing to carry out a repair to the system if Mr M paid separately for this. However he declined this offer and arranged for his own engineer to carry out the repair.

Mr M disputes that there was any fault with the pipe because BGI's engineer didn't find any leak in the part of the pipe and its compression joints that was exposed. However the whole length of the pipe wasn't exposed. I'm satisfied on the evidence that there was a leak somewhere along the length of the pipe. And the nature of the pipe meant that BGI was entitled to say it wasn't covered by the policy.

Mr M says that if BGI's engineer had told him at the outset that access couldn't be obtained, installing a new pipe would have been covered under the policy terms. The adjudicator said this wasn't the case and pointed to the policy term that I've quoted above. I think the adjudicator was wrong on this point. The term she quoted appears under a section of the policy booklet dealing with service and inspection products and isn't part of Mr M's insurance policy.

However the fact that the pipework didn't meet BGI's required standard means that BGI had no obligation to meet the cost of the repair under the policy terms whenever the rerouting of the pipe was carried out.

I understand that Mr M and his family were without gas and heating for some time, and that the whole episode caused them distress and inconvenience. However I think BGI responded reasonably from the time it was notified of the leak on 9 August 2018 until Mr M decided on 11 August 2018 that he wouldn't accept the price BGI had quoted him, and arranged to have the repair done by his own engineer.

I do think BGI was at fault in three respects, which caused upset to Mr M:

- Mr M was clearly confused by the policy terms and in particular why BGI wouldn't carry out the repair. I think BGI's engineer could have done more to explain the policy terms to Mr M, or refer him to someone else who could have done so;
- BGI's service manager failed to call back Mr M when he should have; and
- BGI wrongly charged Mr M a £60 policy excess and threatened him with debt collectors.

BGI has apologised for, and repaid, the £60 policy excess, and has paid Mr M compensation of £50 for the call back failure. I think fair compensation for the distress and inconvenience it caused Mr M is that in addition to this BGI should pay Mr M a further £100.

**my provisional decision**

For the reasons I've explained, but subject to any further comments and evidence I receive from either Mr M or from BGI by 3 October 2019, I intend to uphold this complaint in part. I intend to order British Gas Insurance Limited to pay Mr M a further £100, in addition to what it has already agreed to pay him, for the distress and inconvenience it caused him.

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