

The complaint

Miss J has complained that British Gas Insurance Limited (British Gas) unfairly dealt with a claim under a home emergency policy.

What happened

Following a gas leak at Miss J's home, the gas utility company capped off the gas supply to a fire. So, Miss J contacted British Gas to fix the gas pipe. Miss J asked British Gas if it dealt with underground pipes. It confirmed that it did and arranged for an engineer to visit. The engineer said the gas pipe wasn't covered under the policy.

When Miss J complained, British Gas confirmed the pipe wasn't covered, as it wasn't covered under the gas appliance cover. However, it offered Miss J £30 because of the incorrect information Miss J had been given.

When Miss J complained to this service, our investigator upheld the complaint. He said British Gas had told Miss J the pipe wasn't covered because it was unprotected and buried underground, which the policy said wasn't covered. So, he thought it was reasonable for British Gas to decline to cover that work. However, an engineer told Miss J she would need to arrange an asbestos test before any work could be carried out. Miss J arranged the test with the expectation that British Gas would return and carry out the repair. He said British Gas should reimburse the cost of the asbestos test, with interest, as Miss J shouldn't have been advised to do this.

As British Gas didn't agree it had advised about an asbestos test, the complaint was referred to me.

I issued my provisional decision on 29 November 2023. In my provisional decision, I explained the reasons why I was planning to uphold this complaint. I said:

I asked British Gas a range of questions about this claim and its policy. British Gas has now confirmed that the pipe should have been covered under the policy. This was because, despite the pipe running through concrete, there wasn't an automatic exclusion for pipes in concrete, it wasn't a pre-existing issue and the pipe was protected. It accepted it had therefore incorrectly applied the exclusion.

British Gas told this service it would carry out the repair to the gas pipe, which would then mean the gas fire was reconnected. British Gas said it would only be willing to reconnect the pipe so that it was working and that it didn't need to reinstate the pipe where it was previously. It explained the policy term it was relying on. I asked British Gas to explain this further as the exclusion seemed only to apply to issues that were "purely cosmetic", whereas the work required was to reconnect a pipe that was covered by the policy.

British Gas has now confirmed that it can either run the pipe through the concrete or re-route it. British Gas has explained the extensive, and potentially disruptive, work that might be required for the pipe to be routed through the concrete floor. It has also pointed to the policy term that only covers work up to £1,000 including VAT to gain access and make good. It

thought it would cost considerably more than this. It also wouldn't reinstate the floor and would only leave a level surface. British Gas has said it can't confirm the cost until it reviews the work involved. In my view, it isn't necessary for me to comment on this any further. It is for Miss J to discuss this with British Gas and to confirm any costs to decide whether she wants the pipe through the concrete or to be re-routed.

There is also the issue of the asbestos certificate. Miss J said British Gas told her she needed the asbestos check carried out. British Gas said if it had told Miss J this it would have been in its notes. I asked British Gas to provide its full notes of the visits. It confirmed it had provided the full record. This was brief notes where the relevant entries seemed to cut off part way through a sentence or word. So, I don't think these provided a full record of what was discussed. British Gas also asked the engineers what had happened, all of whom said they hadn't said Miss J should get an asbestos test. One of the engineers did remember discussing asbestos with Miss J, but thought a third party engineer had mentioned about pipes coming through asbestos. Based on reviewing all the evidence available to me, I'm more persuaded by Miss J, who has consistently said it was British Gas who advised her to carry out the asbestos check.

I asked British Gas whether an asbestos check would be required if the pipe is run through the concrete. It has confirmed that it wouldn't be required unless some artex ceiling needed to be removed as part of the work. It's my understanding that if the pipework doesn't go through the concrete floor, it might be re-routed through the loft and would then need to go through a ceiling. So, if as part of the work, a ceiling needs to be drilled or part of it removed, I don't think British Gas needs to cover the cost of the asbestos certificate as I think Miss J would have had to pay for this anyway. However, if the work is carried out in a way that doesn't require British Gas to drill or remove part of a ceiling, I think British Gas needs to pay Miss J for the cost of the asbestos check, which I understand cost £115. It should also pay interest on that amount because Miss J lost use of the money.

I've also thought about compensation. I think Miss J has been caused considerable inconvenience by the way British Gas handled her claim. British Gas misadvised her on multiple occasions by telling her the pipe wasn't covered under the policy. Engineers told Miss J this, but when British Gas reviewed it several times internally, it still didn't correctly apply the terms and conditions and continued to tell Miss J the claim wasn't covered. So, I currently intend to say that British Gas should pay £200 compensation to reflect the impact on Miss J because of how it handled this claim. This is in addition to the £30 it previously offered.

I asked both parties to send me any more information or evidence they wanted me to look at by 13 December 2023. Both parties replied and agreed with my provisional decision. Miss J said, subject to my final decision, she awaited contact from British Gas to repair the gas pipe.

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.

Having done so, I uphold this complaint and for the reasons given in my provisional decision. I have reviewed my decision again and haven't found any reason to change my view of what is a fair and reasonable outcome to this complaint.

Putting things right

British Gas should repair the pipe. If no work is required to the ceiling as part of the repair, it should refund the cost of the asbestos test and pay interest on that amount. It should also pay an additional £200 compensation.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld. I require British Gas Insurance Limited to:

- Carry out the work to repair the gas pipe under the policy, subject to any policy limits that apply.
- If no work is required to a ceiling to carry out the repair, refund Miss J the cost of the asbestos test and pay 8% simple interest on that amount from 22 March 2023 to the date on which it makes the payment.
- Pay an additional £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 10 January 2024.

Louise O'Sullivan
Ombudsman