

The complaint

Mr G complained that his claim was unfairly declined by British Gas Insurance Limited ("British Gas") under his Central Heating Homecare policy.

What happened

Mr G made a claim when he noticed a leak in his cold-water storage tank. Mr G was initially told by the call agent the leak would be covered. When the engineer attended, he conferred with his manager before informing Mr G that the tank wasn't covered under the policy. British Gas offered £30 compensation as way of an apology.

Mr G complained as he said the policy states all repairs to the hot water system are covered. British Gas declined the claim. It said the cold-water tank falls under its "*plumbing and drains*" cover, rather than the policy Mr G holds.

Our investigator decided not to uphold the complaint. He thought British Gas had fairly declined the claim in line with the policy terms. Mr G disagreed, so the case has been referred to an ombudsman.

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 checked which part of the terms and conditions British Gas referred to when declining the claim. It said "*[The] Central Heating Care Policy (please refer to pages 24/25) does not include Cold Water Cylinder Tanks...As stated on Page 4 of the terms and conditions cylinders that are covered are highlighted as tanks that store hot water. This doesn't include cold water storage tanks*".

Mr G disagreed with British Gas' approach. He said the policy states that "*all repairs to the heat and hot water system*" are included and he said the cold-water tank wasn't excluded.

I've reviewed the policy and I think it's clear on what's covered and what isn't. This is set out succinctly on page 6 of the terms. There is a diagram of what parts of apparatus are covered under which type of policy. It shows the cold-water supply tanks as part of the plumbing cover and not part of the central heating cover. As Mr G didn't have plumbing cover, I think British Gas has been reasonable in declining the claim.

I agree that the central heating policy doesn't have an exclusion for cold water tanks, but I don't think it needs to as it's clear from page 6 these aren't covered. Mr G has interpreted the term in the policy "*heat and hot water system*" to include cold water tanks. However, I think the policy is clear this is not the case. I think page 6 demonstrates this and I haven't noted any inconsistencies in the definitions of the policy or other terms.

Therefore, as I think British Gas has applied the terms of the policy correctly, I don't uphold the complaint. It has apologised for its initial mistake by its call agent and paid £30

compensation for the distress this caused. I think this is fair.

My final decision

My final decision is that I don't uphold this complaint. I don't require British Gas Insurance Limited to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 3 January 2024.

Pete Averill
Ombudsman