

The complaint

Mrs M complains that British Gas Insurance Limited (British Gas) caused delays after she made a home emergency claim and this caused further damage to her home, which has resulted in her incurring a financial loss.

What happened

In May 2022 Mrs M discovered a leak behind her fridge, so she contacted British Gas, her home emergency insurance provider. British Gas appointed an engineer, and the leak was stopped.

Shortly after this, Mrs M discovered there was a second leak, but as she was unable to establish where it was coming from or stop it, she again contacted British Gas.

An appointment was made for the following day, but the engineer didn't turn up. Mrs M contacted British Gas and they arranged an all-night appointment, but again an engineer didn't arrive. Mrs M again contacted British Gas and an engineer attended and stopped the leak, this was around 48 hours after first contacting British Gas about the second leak.

Mrs M has had to make a claim under her home insurance for the damage caused by the leaks. She says that due to British Gas' delays in attending to the second leak, the damage was much worse. Mrs M's home insurance provider hasn't covered all the repairs, and she's had to pay a contribution of £621.34 towards this, along with the excess under her home insurance policy (£450).

Mrs M wants British Gas to reimburse both the policy excess and the contribution she had to pay. British Gas didn't agree and offered £100 compensation instead. As Mrs M remained unhappy, she approached this service.

One of our investigators considered the complaint and he upheld it in part. He said that Mrs M would always have needed to claim for the damage caused by the first leak. So, he said Mrs M would always have had to pay an excess to her home insurer regardless of British Gas' handling of the second leak, therefore he didn't recommend British Gas reimburse this.

However, he said that due to the delays caused by British Gas during its handling of the claim for the second leak, the damage was potentially worse than it otherwise would've been. So, he said British Gas should reimburse the £621.34 contribution Mrs M had to pay her home insurer. He also said that due to British Gas' handling of things, this caused additional distress and inconvenience, including additional repairs being required and the consequential impact of this, so he recommended the compensation be increased from £100 to £200.

Mrs M broadly accepted what the investigator said, although she believed a higher level of compensation was warranted. British Gas didn't agree with the recommended increased compensation or reimbursing the contribution Mrs M paid.

As an agreement couldn't be reached, the case was passed to me for a final decision.

I was minded to reach a different outcome to our investigator. Therefore, I issued a provisional decision, to give both parties an opportunity to comment on my initial findings, before I reached my final decision.

What I provisionally decided – and why

In my provisional decision, I said:

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

I'm issuing a provisional decision. I'm minded to reach a different outcome to our investigator, so I'm issuing a provisional decision, to give both parties an opportunity to comment on my initial findings, before reaching my final decision.

Mrs M has asked for reimbursement of the £450 excess she had to pay to make a claim under her home insurance for damage caused by the leaks.

Like our investigator, I'm persuaded Mrs M would always have needed to claim for the damage caused by the first leak, so she would always have had to pay her claim excess, regardless of British Gas' handling and delays during the second leak. This is supported by the fact that Mrs M contacted her home insurer following the first leak to make a claim, and prior to the second leak happening. The home insurer also treated all the damage under the claim for the first leak, without a second claim (or excess payment) needing to be made. Mrs M also confirmed to this service when she contacted her home insurer:

"18th May and we further contacted the Claims Manager again on 26th May to provide details of the second leak which they later confirmed on 17th June "the damage caused by the 2nd leak has damaged the same material damaged in the first leak (sic) therefore repairs will be done without a 2nd claim."

Therefore, it wouldn't be fair or reasonable for me to direct British Gas to reimburse the excess as a claim always needed to be made for the first leak and the damage that caused.

However, it isn't disputed by British Gas that they caused delays in dealing with the second leak. This is due to British Gas not categorising the leak as an 'emergency', despite being aware that Mrs M was unable to stop the leak or identify where it was coming from.

As the second leak wasn't classed as an 'emergency', this meant engineers weren't prioritised to attend. And despite expecting engineers to attend, and changing the appointments to include an all-night appointment, engineers still didn't arrive. Mrs M had to make many calls to British Gas (and their agents) to ask for assistance. But despite this, as it wasn't classed as an 'emergency' in error, it took around 48 hours for someone to attend and stop the leak, despite British Gas being aware that the leak was uncontained during this time.

Mrs M's home insurer only covered 50% of some of the works, which left Mrs M needing to pay a contribution of £621.34 towards these. Our investigator said he was persuaded British Gas' handling and delays could have caused the damage to worsen, which he said resulted in Mrs M needing to pay a contribution. Therefore, he said British Gas should reimburse this. However, I don't agree, I'll explain why.

Mrs M's home insurer actually covered all the damage caused by both leaks, and they also confirmed (as I've mentioned above) that the second leak was to the same material damage as the first leak. So, the leak itself and repairs associated with the damage it caused didn't result in the contribution being required from Mrs M.

Instead, Mrs M's utility room flooring wasn't damaged by the leak, but the flooring matched and was continuous from the kitchen where damage occurred. It's this undamaged matching flooring which Mrs M's home insurer paid 50% of, and asked Mrs M for a 50% contribution towards. Not the actual leak damage itself or associated repairs.

I can't consider as part of this complaint whether Mrs M's home insurer was reasonable in only paying 50% of this and asking Mrs M for 50%, as this complaint isn't about them. But I can consider whether British Gas should pay this cost.

However, I'm not minded to conclude they should. I say this because I'm satisfied Mrs M would always have needed to make a claim for leak one, and this included damage to the kitchen flooring, regardless of leak two, as outlined above. That always would've left the utility room flooring with a loss of match and a contribution being required from Mrs M. But it isn't British Gas' handling or delays of the second leak that led to that mis-match, it's the first leak and the damage that caused to the kitchen flooring which did.

Therefore, I'm not minded to conclude its British Gas' handling of things which has led Mrs M needing to make a 50% contribution towards the undamaged matching flooring, so it wouldn't be fair or reasonable for me to direct them to cover those costs Mrs M incurred.

With this in mind, unless anything changes as a result of the responses to my provisional decision, I won't be directing British Gas to reimburse £621.34.

Our investigator also said it was British Gas' failures which led to the extent of the damage caused needing repairing, and a contribution from Mrs M, so he recommended they increase compensation from £100 to £200 for the impact this had.

However, as I've explained, I don't think the contribution was required due to British Gas' handling of things. But I do accept that potentially the damage could've been worse than it might otherwise have been (but the home insurer has covered the repairs), and I do appreciate the delays in attending to the second leak would've been distressing for Mrs M, as she needed to call British Gas a number of times. But the first leak would've always needed repairs regardless and caused inconvenience associated with that. And I think the £100 compensation already paid by British Gas for their service failings is reasonable, so unless anything changes as a result of the responses to my provisional decision, I'm not minded to direct them to increase this."

Therefore, I wasn't minded to uphold Mrs M's complaint or to direct British Gas to do anything further.

The responses to my provisional decision

British Gas responded and said they had nothing further to add.

Mrs M also responded, but she didn't agree. Mrs M said the delay in British Gas attending to the second leak resulted in her family having to endure a dangerous situation, and this was very distressing. Mrs M maintains that British Gas should pay her further compensation.

Mrs M also says she had some left-over flooring and her home insurer could have repaired the flooring damaged by the first leak with this, if it wasn't for the second leak, which she says was caused by British Gas and their delay in attending. Mrs M says this resulted in more damage being caused and more flooring requiring replacement. So, Mrs M maintains that British Gas should cover the 50% contribution she had to pay her home insurer towards the undamaged matching flooring.

However, Mrs M accepted what I said about the excess being required under her home insurance regardless of the second leak, and said she is no longer asking for this from British Gas.

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.

And I've thought carefully about the conclusions I came to in my provisional decision. Having done so, and whilst I appreciate it'll come as a disappointment to Mrs M, my final decision remains the same as my provisional decision.

Mrs M has said she accepts what I said in my provisional decision about an excess being payable to her home insurer regardless of the second leak, because she always would've needed to claim due to the first leak. Therefore, I won't revisit that point again here as I see no reason to change my thoughts on this.

However, Mrs M says she had some left-over flooring, and her home insurer could have used that to repair the flooring damaged by the first leak, which then wouldn't have resulted in a loss of match or a contribution being required from her. But Mrs M says that due to the second leak, and delay in British Gas attending, more damage was caused which meant more flooring needed replacing - and resulted in a loss of match and Mrs M needing to pay a contribution.

Whilst I note what Mrs M has said, there hasn't been any evidence provided to support that if it was only the first leak that occurred, her home insurer would only ever have needed to use flooring which she already had to carry out repairs, which would have avoided a loss of match and a contribution being needed.

Previously, in contrast to what Mrs M said in response to my provisional decision about the insurer using the left-over flooring, Mrs M had said that if it wasn't for the second leak, and the delay in British Gas attending, she wouldn't have needed to claim *at all* and could've repaired the floor herself using the left-over floorboards. However, Mrs M had already contacted her home insurer to make a claim before the second leak happened. If as Mrs M says, the first leak caused minimal damage and could have been repaired by her using flooring she already had, it's unclear why she would have made a claim for the first leak damage.

Furthermore, when the second leak happened, the home insurer treated all the damage under the one claim for the first leak, and said this was because the damage caused in the second leak was to the same material damage from the first leak.

So, I think this supports that the damage caused during the first leak would always have required repairing, resulting in a loss of match to the undamaged matching flooring (which Mrs M's home insurer has paid 50% towards), and a contribution being required from Mrs M towards this. Therefore, I'm not going to direct British Gas to reimburse Mrs M's 50% contribution.

Mrs M has also explained how distressing it was, and that her family had to endure a dangerous situation due to delay in British Gas attending to the second leak, and whilst the damage is being repaired. Whilst I recognise what Mrs M says, British Gas accepts it caused delays in attending to the second leak. But damage had also already been caused during the first leak, which British Gas wasn't responsible for, and this would always have needed repairing, impacting Mrs M and her family. British Gas has recognised the delays in attending to the second leak by paying £100 compensation, and I think this is fair and reasonable in the circumstances, so I'm not going to direct them to increase this.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 31 July 2023.

Callum Milne
Ombudsman