

The complaint

Mrs P is unhappy that British Gas Insurance Limited have declined to cover the costs of repairs to her boiler.

What happened

Mrs P has an insurance policy with British Gas to cover servicing and repairs to her boiler. During an annual service in April 2019 the British Gas engineer identified a problem with a leaking flue and said it needed immediate repair. The engineer told Mrs P the work would be covered under her policy, so she authorised the work to go ahead.

However, British Gas then said the work on Mrs P's boiler wasn't a repair and was actually an upgrade to bring it in line current regulations. So British Gas wouldn't cover the costs of the repair/upgrade - £327.73. Mrs P had to pay these costs herself.

Mrs P has complained that British Gas won't cover the costs of repairs to her boiler.

Our investigator found that British Gas had acted unreasonably. He said that British Gas had identified the issue with the flue in 2016 although they didn't tell Mrs P this until she had the boiler serviced in April 2019. The boiler was repaired in 2019, and parts installed which brought the boiler up to current standards, which is why British Gas classed the work as an upgrade. The investigator said British Gas needed to provide a lasting repair, and to do this the upgrade parts needed to be installed. So he thought British Gas were responsible for the costs of the repair/upgrade and not Mrs P.

British Gas didn't respond to the investigator's view. So this case has been passed to me to make a final decision.

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 seen the report the engineer gave Mrs P after the service in April 2019. This says the boiler flue and ventilation weren't safe, so operating the boiler also wasn't safe. Mrs P was given a Safety Warning Notice which said "*part of your gas installation is unsafe. Continuing to use an appliance/installation that is 'At Risk' or 'Immediately Dangerous' could put your property and life in danger.*" The engineer also wrote on the Safety Warning Notice – "*flue not screwed and supported.*" After the work was classed by British Gas as an upgrade, Mrs P was quoted £327.93 for the this. This work was carried out a few weeks later.

I think it would be helpful to clarify the Financial Ombudsman Service's approach to cases like this. When carrying out work under an insurance policy, we think it's reasonable that the insurer carries out an effective and lasting repair – it must fully put right any damage to a sufficient quality that it lasts for a reasonable period of time.

If any uninsured work is needed to carry out an effective and lasting repair, and it isn't possible for the insured work to be done without the uninsured work also being done, then we'd expect the uninsured work to be carried out as part of the repair. If this means the customer is put in a better position as a result of this, that's sometimes the only fair solution.

In this instance, repairs to the boiler were the insured work, and upgrades to the boiler were the uninsured work. British Gas said Mrs P's boiler was "*unsafe*" – I think unsafe implies repair and not an upgrade. They also said the flue was not screwed and supported. This implies a potential issue with the fitting of the boiler, not an upgrade. So I agree that Mrs P's boiler needed repair, so it was no longer unsafe.

I've not seen anything to convince me the repairs to the flue could've been done without the upgrade work also being done. And British Gas didn't offer a repair without an upgrade option to Mrs P – it was an all or nothing scenario.

Because of this, I agree with the investigator that, in order to complete an effective and lasting repair, uninsured work needed to be carried out. So, given the circumstances, it's fair and reasonable that British Gas cover all of the costs of this work.

And I don't think the fact that Mrs P didn't take advantage of the boiler service in 2017 or 2018 has any bearing on this matter – the repairs to the flue required upgrade works to be done, and this would've been the case regardless of when the work was carried out. So this doesn't alter my decision that it's only fair an reasonable British gas cover the costs of the repair/upgrade works.

My final decision

For the reasons explained above I uphold Mrs P's complaint. British Gas Insurance Limited must reimburse Mrs P with the £327.93 she paid them for the cost of the repair to her boiler, plus simple interest at 8% a year from the date she made the payment to the date of the refund.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 6 March 2020.

Andrew Burford
Ombudsman