

The complaint

Mr and Mrs A are unhappy with British Gas Insurance Limited (BG) who declined to pay for a new boiler, claimed under their home emergency policy. But later found the fault wasn't related to the boiler.

What happened

In July 2019, Mr and Mrs A reported a fault with their heating system, in that the radiators came on without the heating being on. BG sent an engineer and he advised that the boiler needed to be replaced. On that advice, Mr and Mrs A obtained a new boiler from a third party.

Unfortunately, the issue persisted and Mr and Mrs contacted BG again. Another engineer was sent to inspect and found that two printed circuit boards needed to be changed. This was done and the problem was fixed.

Mr and Mrs A were upset that the first engineer had misdiagnosed the problem and on BG's advice, Mr and Mrs A had purchased a new boiler. Mr and Mrs contacted BG to complain.

BG admitted that the initial fault was misdiagnosed and as a goodwill gesture, offered to pay £200.

Mr and Mrs A were upset by this as they felt BG should pay for the full cost of the boiler. They brought their complaint to the service.

Our investigator upheld the complaint and found that BG had acted unfairly. He said that Mr and Mrs A suffered financial loss as a result of BG's misdiagnosis and that the £200 offered was not fair. He initially said that BG should pay Mr and Mrs A the full cost of the new boiler.

BG made further representations, citing the number of times it had advised Mr and Mrs A that they would need to change the boiler. The age of the boiler – 19 years and that the boiler was on a restricted service list. Parts for it, were restricted due to its age. BG conceded that the £200 was unfair and increased the offer to £600.

Our investigator further reviewed BG's representations and agreed that a fairer compensation would be the £600 offered by BG.

Mr and Mrs A didn't agree with our investigator and asked for a decision from 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 have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of the complaint. Having done so, I will be upholding this complaint. I will now give my reasons why.

BG has accepted that its engineer misdiagnosed the original fault and as a result, Mr and Mrs A purchased a new boiler. In considering this complaint, I have to see if BG acted fairly in their increased offer of compensation.

Mr and Mrs A have accepted that the age of their old boiler was 19 years. BG said on average the life expectancy of a boiler is 15 years. BG said that the boiler had been on a restricted service list, which meant that due to its age, parts for it would be increasingly difficult to source as they would become unavailable. The boiler was put

on the list as long ago as 2010. BG also said that over the years it had advised Mr and Mrs A that they would need to replace their boiler but they had not followed their recommendation. Despite this the boiler was still in working order when Mr and Mrs A followed BG's advice and changed it.

I accept that the boiler was replaced earlier than it would have been, at a cost incurred by Mr and Mrs A. The issue is how long would the boiler last before it actually needed to be changed?

Our investigator originally awarded the cost of a new boiler, which effectively meant that BG would be making the payment on the basis that the boiler would last another 15 years. I am persuaded by BG's argument that it would be highly unlikely that the old boiler would have lasted that long, given that it was coming to the end of its natural life. So I think that it would have been unfair for BG to bear the full cost of the boiler.

But giving Mr and Mrs A the benefit of the doubt, I think that it would be reasonable that their boiler could've lasted another five years. So on this basis, I think that the increased offer of £600 seems a fair one in the circumstances.

Whilst I empathise with Mr and Mrs A at how disappointing this must be, I think that BG has acted fairly when it increased the offer.

Putting things right

My final decision is that I do uphold this complaint, for the reasons given.

My final decision

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mr A to accept or reject my decision before 15 May 2020.

Ayisha Savage
Ombudsman