

The complaint

Mr W and the Estate of Mrs W complain that British Gas Insurance Limited (BG) has broken their boiler and won't repair or replace it. This left them without heating and hot water over winter.

Mr W and Mrs W took out a home emergency insurance with BG in November 2017 and sadly Mrs W passed away after referring their complaint to our service and I'll refer to Mr W in this decision.

What happened

The policy with BG provided for an annual service and emergency repairs to the central heating boiler. A BG engineer first serviced the boiler on November 2017. BG's records say it advised Mr W that the boiler was old and worn and should be replaced as parts were becoming difficult to source. The boiler wasn't replaced.

The policy was renewed and the boiler serviced each year. In November 2019 the boiler developed a fault. A BG engineer attended, a plastic panel on the front of the boiler was cracked and BG say its engineer advised it was brittle and fragile due to age. BG attempted to source the part but said it was obsolete. It said the manufacturer had stopped making this part in 2015 and that the boiler was around 20 years old.

Another engineer attended and applied adhesive tape to the broken plastic to hold it in place. The boiler still worked. Mr W was unhappy about this. He said BG had broken the boiler and should fix it and if parts weren't available, it should replace it. He complained to BG saying he didn't want to leave the boiler switched on whilst unattended as he felt it was dangerous.

BG didn't uphold the complaint. It said due to the age of the boiler the policy didn't cover replacing it if parts became unavailable. It said this had been explained to Mr W by the engineers on various occasions and it had recommended the boiler be replaced each year. BG said it had explained the parts issues in the policy renewal schedule issued on 9 October 2019. This also said if the boiler couldn't be repaired BG may refund premiums paid since the last successful service or repair and BG offered to do this.

Mr W wasn't satisfied by this. He said as BG had broken the boiler it should replace it and that the boiler had been left in a dangerous condition. He said BG had taken the premiums under false pretences if the boiler was obsolete and couldn't be repaired. BG said the boiler wasn't dangerous and offered a further £300 to them as a gesture of goodwill.

Mr W had already referred the complaint to our service and also contacted Gas Safe to complain about BG's repair of the boiler with adhesive tape. Gas Safe inspected and its report said the boiler was safe and was left *"operational as it was found"*.

Our investigator looked into Mr W complaint but didn't uphold it. He said BG terms and conditions were clear and that the boiler was too old to be covered for replacement if repair couldn't be made. He disagreed that BG had taken premiums on false pretences. He said the policy schedule clearly said parts were becoming difficult to obtain and if it wasn't possible to repair the boiler premiums may be refunded. He noted that the Gas Safe report hadn't found the boiler to be dangerous and it was operational. He said that BG's offer to refund the premiums and pay £300 as a gesture of goodwill was fair and reasonable.

Mr W disagreed saying the part that was broken wasn't old. He said he had been quoted £3,000 to replace the boiler and BG was only offering 10% of that and refunding the premiums was what it had to do anyway.

As Mr W doesn't agree it has been passed to me to decide.

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 do not uphold the complaint.

I know my decision will disappoint Mr W and I appreciate it is a very difficult time for him following the recent death of his wife. But I need to consider whether BG has acted fairly and reasonably in line with the terms and conditions of the policy, the law and industry good practice in its dealings with Mr W and I think it has.

The contract between Mr W and BG is set out in the terms and conditions of the policy and policy schedule. The policy provides for an annual service of the boiler and repair in the event of breakdown. So I don't think it is reasonable to say BG took premiums on false pretences. And, it is clear that the policy never provided for the replacement of the boiler as it was more than seven years old when the policy was first taken out in 2017.

BG say they advised Mr W of this at the time and it is also clear that BG advised Mr W that the boiler was old and parts were becoming unavailable on more than one occasion. It specifically drew attention to this on page three of the renewal letter of 9 October 2019:

"Important Information – parts availability

- *Our records show that your boiler is ...*
- *Your boiler's manufacturer stopped making your particular model of boiler a while ago. They're still making the most important parts for your boiler, some other parts are becoming difficult to source*
- *This means we may not be able to fix your boiler if it breaks down, but we'll do our best to keep it running for as long as possible*
- *In the unlikely event we can't fix the boiler, you may be able to get a refund back dated to when you last had work done, or to when you renewed your agreement – whichever's the most recent*
- *If you'd like to talk to us about replacing your boiler, please call us on ..."*

I think it is clear from this section that if the boiler can't be fixed it isn't covered to be replaced. On the first page of the renewal letter there is the following section:

"Important information about your cover and price

Take a look at page 3 to see a breakdown of your renewal price and how it's been

worked out. You'll also find a summary of the key information relating to your product(s) in the enclosed Insurance Product Information Document(s).

Thank you for placing your trust in us. You should check you're still happy with the cover you're getting."

This section clearly refers to the key information on page 3 including the section on parts availability. It also asks Mr W to check that he was satisfied with the cover provided under the policy.

Mr W made the point that the part wasn't broken before the engineers visit and wasn't "old" itself. Possibly so, however the part became unavailable in 2015, so must have been some years old and if it were a replacement part itself it does suggest the rest of the boiler was towards the end of its working life as well.

As BG have said plastic parts do become brittle and fragile with age –especially those close to heat sources and are increasingly likely to fail when they need to be removed and replaced. This damaged part and adhesive tape "repair" didn't make the boiler either dangerous or inoperable as confirmed by the Gas Safe inspection, so I don't think there was any need for Mr W not to use the boiler.

As the boiler was around 20 years old and still working I don't think it reasonable to ask BG to replace it because of a broken plastic panel. I think BG's offer to refund the premiums of £268.02 was more than it needed to do under the policy. And I think the additional offer of another £300 as a gesture of goodwill is reasonable.

Refunding the premiums with an additional £300 gives Mr W the option of seeking alternative repair or replacement of the plastic panel or the boiler as whole. As I think BG has treated Mr W fairly and reasonably I won't be asking it to do any more than this.

My final decision

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and the estate of Mrs W to accept or reject my decision before 27 June 2020.

Nigel Bracken
Ombudsman