

The complaint

Mr H complains that British Gas Insurance Limited (BG) won't pay for a replacement boiler at his property

What happened

Mr H had a Homecare insurance policy with British Gas that provided servicing and breakdown cover for his boiler. In January 2019, a BG engineer attended the property as the boiler wasn't working.

The engineer said the unit was extremely dangerous. He condemned the boiler and capped off the gas supply for safety. He said that corrosion on the boiler had caused the heat exchanger to fail. But he wasn't able to do a repair as the part needed was no longer available for the make and model of Mr H's boiler. He recommended a new boiler being fitted.

Mr H believed that the replacement boiler should be covered under the Homecare policy. He said that the boiler must have caught fire when the heat exchanger failed, as part of the casing had melted. BG rejected the claim, stating that no fire had occurred and that heat stress had caused the damage to the casing, therefore the policy wouldn't provide a replacement. Mr H didn't agree, he questioned the difference between heat stress and fire in this scenario and thought they should be treated as the same, so brought the complaint to us.

Our investigator reviewed this complaint and didn't think BG had done anything wrong. He said that based on the terms and conditions of Mr H's policy, BG had acted correctly in declining Mr H's claim. Mr H didn't agree. He said, the report from the BG engineer, who visited the property said the word 'burnt' which is associated with fire. He commented on how difficult it would be to identify between fire, explosion or heat stress, as boilers are designed to shut down if there is an incident, so the damage seen will be similar. He also said that if BG had replaced parts that were corroding at the last service, the boiler wouldn't have broken down. The complaint was therefor 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.

It's clear from the correspondence that Mr H feels very strongly that the policy should pay out for a new boiler due to fire damage. I've reviewed Mr H's policy documents to see what cover his policy provides. I'm aware it provides cover for repairing the boiler and its controls. It also explains it will provide a replacement boiler if;

- *'it's less than seven years old*
- *Or it's between seven and ten years old, we installed it, and it's been continuously covered by British Gas under either a warranty or HomeCare agreement.'*

- *Or it caught fire or exploded, providing you gave us access to carry out your **annual service** every year since we first covered you.'*

It's my understanding that the boiler was over 10 years old, so doesn't meet the criteria set out in the first two bullet points. My job here therefore is to establish whether BG has fairly declined the claim based on whether the boiler caught fire or not.

The normal, everyday meaning of 'fire' is something that has been ignited, produces flames and sends out heat and light. There is a difference between fire and burning as you can burn something without having to set fire to it. For example, you can burn toast, but it doesn't have to be on fire for the scorch / burn marks to appear.

Mr H says his boiler must have caught fire as part of the casing has melted. He provided a photo showing damage to the outer casing of the boiler, in support. He has also noted that the report written by the engineer at the time, mentions the word 'burnt' which he says is associated with fire. I've looked at the report. It says 'heat exchanger failed, leaking product of combustion, burnt up case, melted PCB'. While I appreciate the terminology is often associated with 'fire', as mentioned above, it doesn't have to be exclusively, so I don't think that this shows that a fire occurred.

Mr H's also commented on the fact that boilers are designed to shut down if there is a fire or explosion and therefore it is difficult to establish if the damage was caused by fire, explosion or heat stress. However, I think professionals are better able to identify between these causes. I also think that there is likely to be more damage if a fire or explosion had occurred.

Mr H has said that he thinks heat stress should be considered as 'fire'. I've thought carefully about this. But as 'fire' is usually associated with flames, I think BG is entitled to use the term in the way that most people recognise. So, I'm satisfied British Gas correctly declined Mr H's claim, based on the terms and conditions of Mr H's policy.

But Mr H has said that British Gas' lack of action in previous servicing has caused the breakdown of the boiler. So, he feels it should pay to replace it. He has explained that in the February 2018 service record, the engineer noted, 'corrosion throughout, but sound'. He has suggested that if parts were replaced then, the breakdown may not have occurred. While I understand Mr H's frustrations, as no faults had presented at that point, BG were not under any obligation to replace any of the parts. So, I can't see that BG have acted unfairly or unreasonably towards Mr H in the way they've carried out the annual service of the boiler. I also bear in mind that boilers do have a shelf life – and no matter how well they might be maintained or serviced, they will need to be replaced at some point.

My final decision

I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 June 2020.

Sarah Green
Ombudsman