

The complaint

Ms R is unhappy with British Gas Insurance Limited (BG) as it declined to pay for a new boiler which she had claimed for under her home emergency policy.

What happened

In December 2017 Ms R contacted BG to make a claim as her boiler had broken down. An engineer was sent who advised that a power flush was required and a pump needed changing. He booked for that to take place a few days later.

The second engineer attended and replaced the pump and carried out the power flush. Unfortunately this didn't rectify the problem and that engineer advised that Ms R should change her boiler. His recommendation was made on the basis of:

- The boiler's age
- BG had it on a reduced parts list
- Loss of pressure the boiler was experiencing.

Ms R felt that she had no choice but to change the boiler immediately, due to the cold weather. The boiler was later replaced, but unfortunately broke down again. Another engineer attended and found that there was a leak in a pipe. That pipe was replaced and the issue was resolved.

Ms R was unhappy that she had to change her boiler and incurred extra expenses. She raised a complaint to BG. BG admitted that the initial fault was misdiagnosed and as a goodwill gesture, offered to pay £200.

Ms R was upset by this as she felt BG should pay more towards the boiler. She brought her complaint to the service.

Our investigator upheld the complaint and found that BG had acted unfairly. He said that Ms R suffered financial loss as a result of BG's misdiagnosis and that the £200 offered wasn't fair. He said that BG should pay Ms R £300 as this compensation took into account the inconvenience caused.

Ms R 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 considered the complaint and I thought the complaint should be upheld. I issued a provisional decision which said:

BG has admitted that it misdiagnosed the problem with the boiler and based on the evidence I have seen I agree. The issue here is whether BG acted fairly in its level of compensation that it offered Ms R. In considering this, the question must be how did this affect Ms R's circumstances?

Ms R said that the boiler breakdown occurred during the Christmas holidays. She describes the weather as being very cold. She describes that she was without central heating for around 5 weeks and that she found it difficult to secure an engineer's attendance. She said that she only had small heaters to heat her home and this was not suitable so she took the quickest option in restoring heat to her home by using BG. She estimated her out of pocket expenses, as a result of the misdiagnosis, was £1600. Which she said was the cost of a new boiler had she been able to buy the boiler at a later date.

BG had said that the boiler was old at 15 years of age. It provided a job record which showed the number of call outs regarding issues with Ms R's boiler from 2009 – 2018. But what I have seen from that record is that BG only advised once that Ms R should change her boiler and this was the occasion that she acted on its advice and changed it.

BG also said that the boiler had been placed on a reduced parts list, as parts were becoming difficult to source due to its age. BG maintained that the boiler would've needed to be replaced.

It is accepted by both parties that there was a misdiagnosis that led to Ms R being without central heating for 5 weeks at a cold period of the year. Ms R also says that she did try looking for an alternative boiler during this period but was faced with costs that were much higher because it was the Christmas period.

Although it is accepted by both BG and Ms R that at some point she would've had to have changed her boiler. I haven't seen sufficient evidence to say that the boiler would've needed to be changed during the Christmas period, if the fault hadn't been misdiagnosed.

I have to consider whether the level of compensation was sufficient and weighing the evidence up I don't think that it was. I should make it clear that I don't think BG should pay for the cost of the new boiler as at some point the boiler would've had to be replaced. But on BG's advice, Ms R changed her boiler sooner than she would've liked to and I think sooner than it would've been necessarily required. So I think that BG hasn't acted fairly in the level of compensation offered.

I think that a fair and reasonable level of compensation would be £500. It takes into account the inconvenience of not having central heating for an extended period of time at a particularly cold time of the year. Ms R would've lost the opportunity to shop around for a cheaper replacement boiler as she was led to believe that the boiler needed to be changed immediately.

Responses to my provisional decision

Ms R has accepted the recommended compensation. But makes it clear that if BG don't follow the recommendation, she will also put in a claim for the damage caused to her carpet as a result of the leak.

BG main responses were:

1. That no pump replacement or power flush took place.
2. It recommended power flushes many times.
3. It recommended replacing the boiler in 2012.

4. Ms R had benefited from services and repairs as she required under the policy.
5. BG said that had Ms R taken its advice, she could have changed her boiler in the summer months.

Putting things right

I have reconsidered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I conclude that BG hasn't acted reasonably and fairly in determining the level of compensation. My reasons for this will be explained below.

I have further looked at the job record which gives details of the call out history. BG said that it had recommended power flushes '*many times*'. I can see that one was recommended in 2012 and around 4 months later Ms R acted on that recommendation and had one done.

The next power flush occurred in 2017 which accords with Ms R's testimony that a power flush was carried out prior to the boiler being changed. I have seen no indication on the job history that BG recommended any other power flushes.

I accept that BG advised that the boiler was changed 2012. Ms R didn't follow that advice. But, from the evidence, the boiler continued to work for around 5 years without a similar recommendation from BG. Until it recommended that the boiler should be changed in 2017, which led to it admitting that that recommendation was a misdiagnosis.

BG said that Ms R benefited from services and repairs as she required under her policy. Based on the evidence that I have seen, I agree. But this is not the issue. The concern here is whether Ms R changed her boiler sooner than she would've liked to.

BG admitted that there was a misdiagnosis and when the boiler was replaced, as it recommended, the same fault existed. So I think, had the misdiagnosis not taken place, the boiler wouldn't have been replaced at that time.

Consequently, the total amount of compensation takes into account the inconvenience and trouble Ms R and her family suffered as a result of the misdiagnosis, the lack of adequate heating during a cold time of year and the lost opportunity to find a cheaper replacement boiler.

I have heard back from both parties and they are content to accept my recommendation which follows.

My final decision

My final decision is that I do partially uphold the complaint.

British Gas Insurance Limited should pay Ms R a total amount of compensation of £500 for the distress and inconvenience caused.

British Gas Insurance Limited must pay the compensation within 28 days of the date on which we tell it Ms R accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 3 July 2020.

Ayisha Savage
Ombudsman