

## The complaint

Mr W complains that British Gas Services Limited (BG) wasn't able to repair his boiler under his home emergency cover.

## What happened

Mr W had HomeCare Four home emergency cover with BG, including boiler and central heating cover. He called BG to report that his boiler had stopped working and it sent out an engineer to investigate. The engineer wasn't able to fix the boiler on that visit and ordered the part needed.

Two days later, Mr W called BG again because he understood an engineer should've attended that day to fix the boiler. BG explained that it could take more than ten days for the part to arrive.

Mr W complained to BG because he thought it was unreasonable for it to insure products without having the parts available. During its investigation, BG found that parts for Mr W's boiler were no longer available because the boiler was obsolete.

Mr W bought a new boiler. When the engineer fitted it he said he didn't think the old boiler had been serviced because there was a leak and it was full of soot. Mr W complained to BG that it hadn't been fulfilling its obligations under the terms of the HomeCare policy.

BG looked into Mr W's complaint and offered him £500 for the distress and inconvenience of not having any heating. He accepted the payment on the understanding that it wouldn't affect consideration of his complaint. Mr W would like BG to pay him £1250, which is half the cost of the new boiler.

I issued a provisional decision in May 2020 explaining that I was intending to not uphold Mr W's complaint.

Here's what I said in my provisional decision:

*"While I realise Mr W will be disappointed with my decision, I've decided not to uphold his complaint. I'll explain why.*

### Availability of parts

*BG's engineer wasn't able to repair the boiler because a part was needed. Mr W understood BG would attend the second appointment with the part. The engineer didn't have the part and still wasn't able to repair the boiler. BG confirmed the part was on order and would take up to 14 days to arrive. Mr W questioned how it could provide the service without having the*

parts readily available. He complained that BG had serviced his boiler each year but at no point had it told him it might need to order parts or that there would be difficulty sourcing parts.

BG provides service and repair cover for a wide range of products and I wouldn't expect it to have parts readily available to cover all eventualities. Nor would I expect it to arrive at the first appointment with anything other than generic replacement parts to complete simple repairs. So, I think it's reasonable for BG to attend a first appointment to identify the cause of the problem, and order the part needed.

Mr W doesn't think BG ever told him that it might need to order parts or have difficulty sourcing them. I don't agree. I've looked at the renewal letters BG sent to him and, in a box displayed prominently on the renewal price page, it states the following:

*"Important information – parts availability*

- *Our records show that your boiler is [make of model given].*
- *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."*

*I'm satisfied that BG made it clear to Mr W that it may experience problems getting the parts for his boiler.*

#### Availability of insurance

BG confirmed the boiler was obsolete and it wouldn't be able to repair it. Mr W questions how BG can charge for insurance if it can't fix the boiler, and he thinks the service hasn't been available to him for seven years. Mr W says the terms of his policy state that BG will replace the boiler if it can't repair it, so he thinks it should cover the cost. He also says his engineer told him the old boiler wasn't fit for purpose so Mr W questions why BG serviced and approved it.

As shown in the renewal letters, BG confirmed it might struggle to get parts for Mr W's boiler. He provided a copy of the terms of service and I note it says:

*"Spare parts*

*If we've agreed to cover a boiler or appliance but warned you that it might be difficult to find spare parts, we'll do what we can, within reason, to **repair** it."*

BG wasn't aware the boiler was obsolete or that it wouldn't be able to complete any repairs at the point of the last policy renewal. It had completed a number of repairs in previous years so it was reasonable for BG to assume it could still provide cover. Therefore, I don't agree that the cover wasn't available to Mr W.

Mr W asked why BG approved his boiler when his engineer told him it wasn't fit for purpose. BG had been able to repair it successfully in previous visits, which indicates it was working. However, I've seen in its service records that it also left an 'at risk' notice and offered to

provide a quote for a new boiler. This indicates to me that BG advised Mr W about the condition of his boiler and that it was reasonable to continue to service and repair the boiler until that was no longer possible.

While Mr W thinks the cover wasn't really available to him, I'm satisfied that it was. The terms of service indicate that BG would've cancelled the policy if it was no longer able to fulfil its obligations:

"We'll try to get parts from the original manufacturer or our approved suppliers. If we can't get hold of the parts we need we may need to cancel your **agreement** (or part of it) unless you're eligible for a **replacement**."

Mr W correctly pointed out that the terms say BG will replace the boiler if it can't repair it. However, that only applies in certain circumstances, and Mr W's boiler didn't meet the criteria. The terms are quite clear:

*"Boilers and controls*

*What's included*

- A replacement for your boiler if we can't repair it and:
  - 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"

Mr W's boiler was 14 years old, and he had cover with BG for seven years. Therefore, even if BG had installed it and he'd had cover with it for the full period, it would still fall outside the cover because the boiler was older than the ten year limitation. The cover BG provides is for annual servicing and repairs, and replacing a boiler only if it fails before it has been in use for a reasonable time. At 14 years old, it's not unreasonable to expect a boiler to be reaching the end of its useful life. So, I'm satisfied that there was no obligation on BG to provide, or cover the cost of, a replacement boiler.

However, BG does say in its renewal letter that:

- "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."

I don't think this point has been considered. The policy renewed in January and I can see that BG completed a repair in April, which was five months before the boiler was replaced. Under the terms of the policy, BG cancelled the cover but I think Mr W was due a refund of five months' payments. To put this into context, the annual cost of the policy was a little over £300 and included other products as well as boiler and central heating cover. BG offered Mr W £300 but didn't specify that it was a refund of premiums paid. He rejected that and a subsequent offer, but eventually accepted its third offer of £500. As the amount paid is more than the annual cost of the cover, I don't think BG needs to pay Mr W any more.

Customer service

Mr W complained about the poor customer service, saying that BG failed to return his calls when promised and it disconnected one call because it was at the end of the working day.

*BG wasn't able to narrow down the second appointment time to anything less than a two hour window, but Mr W feels it didn't try. While he was without heating, BG provided two heaters but Mr W says that was only after he complained, and one didn't work.*

*BG has not disputed that there were shortfalls in customer service and it addressed them in its final response letter to Mr W. I don't think it's reasonable to expect BG to commit to an appointment at a specific time rather than a two hour window. This is because its engineer might reasonably be delayed travelling from one job to another or because its engineer needs to complete a repair before moving on to the next job. However, as BG acknowledged the shortfalls in keeping Mr W informed about ordering parts, and leaving him without heating until he complained, I'm satisfied that compensation is warranted. But I think the amount BG has already paid is sufficient to address these shortfalls as well as the refund of premiums paid."*

I said I was intending to not uphold the complaint

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision but neither party responded.

### **What I've decided – and why**

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As neither party has made any further comments or provided any further evidence for me to consider, I see no reason to change my provisional findings.

So my final decision is the same as my provisional decision and for the same reasons.

### **My final decision**

For the reasons I've explained above, and in my provisional decision, my final decision is that I don't uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 23July2020.

Debra Vaughan  
**Ombudsman**