

The complaint

Mrs S is unhappy that British Gas Insurance Limited (BG) has condemned her gas appliances under, her home emergency policy.

It should be noted that the insurers in this complaint is British Gas Insurance Limited, who is the business who underwrite this policy.

What happened

In 2012, BG inspected Mrs S's gas fires and passed them as satisfactory to be used. In 2016 it carried out a service of those appliances and condemned them due to ventilation issues. Mrs S raised a complaint with BG as she wasn't satisfied with the way its explanation as to why the fires had been condemned, had changed. She also felt that BG ought to have found that the fires were unsafe much earlier as it had put her and her family in danger.

In its final response, BG accepted that in 2012 it found that the appliances met the safety standards. But since then, it said that Mrs S failed to book annual services. So in 2016 when she did book a service, BG found that there were ventilation issues and condemned the fires.

BG's resolution to Mrs S's complaint was to offer to refund the premiums paid from the date it condemned the appliances, install ventilation into her home without further cost to her and pay £200 compensation for the trouble and upset it caused.

Mrs S wasn't happy about this offer as she felt that her appliances shouldn't have been passed as satisfactory and she had had a few years where she felt her family had been in danger. So she referred her complaint to this service.

Our investigator upheld her complaint in part. He said that BG hadn't treated Mrs S fairly. He felt that on balance the appliances were not compliant when they were added to the policy in 2012. Which meant that Mrs S had been paying additional premiums that she ought not to have been paying. He concluded that BG ought to refund those premiums but the compensation award and the offer to provide ventilation to Mrs S's home, was fair.

BG didn't agree with our investigator as it said that its offer to resolve this complaint was fair and reasonable. So it 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.

Having done so, I will be upholding this complaint. I will explain why I've reached this decision.

I have looked at whether BG acted fairly in dealing with Mrs S's complaint. In doing so, I have looked at the policy document and schedule as well as considering both party's comments.

Having reviewed the policy document regarding the annual service reminders, it says that BG will send reminders inviting customers to book annual services. BG said that it invited Mrs S to book the services over the years by email or letter and on each occasion, it said it received no response.

I note that Mrs S said that she always booked a service to take place, as she had other appliances that were serviced as well. And Mrs S says that the annual services of the fires did take place. BG says that it had no record of annual services occurring between 2012 and 2016. It can't evidence all the reminders it said it would have sent to prompt Mrs S to book a service. On balance, based on Mrs S's clear recollection that services took place each year, my view is that it is more likely than not that these did occur. Had there been any issue with the fires before 2016, I would have expected BG to have noted these.

BG had said that the reasons that the gas appliances were condemned was because there were ventilation issues in the room. It accepted that in 2012, when it carried out the initial inspection, the ventilation was satisfactory. Mrs S confirmed that the rooms had not been reconfigured at all since that initial inspection.

BG also said that the gas safety regulations had changed, which was the reason why the fires were condemned. I asked BG to provide me with details of the change in the regulations that it had relied upon to condemn the appliances. The response I received said: *'After further investigation, the regulations have not changed.'* So, I think from this response, it appears that there had been no change in the gas safety regulations from 2012.

Nevertheless, BG's assessment was that the fires couldn't be safely used and so Mrs S stopped using the units from 2016. So, I am persuaded by Mrs S's comments that the fires ought never to have been deemed safe from initial inspection in 2012. And I think that it seemed more likely that the engineer who deemed the fires safe was mistaken, given that there had been no change in the regulations, or the configuration of the room.

Putting things right

Taking everything together, I think BG treated Mrs S unfairly. And I think a reasonable and fair settlement of this complaint would be for BG to refund the premiums paid in full, from initial inspection until the date they were removed from cover. That's because it seems that at least some of the policy cover wouldn't have been available for an installation deemed unsafe. BG has offered to provide ventilation to the property and pay £200 compensation for the distress and inconvenience caused – which I think is fair in the circumstances. So I won't be asking it to increase this part of its offer.

My final decision

I direct British Gas Insurance Limited to:

- Refund the premiums paid by Mrs S (aside from any that it has already refunded) from the date her appliances were initially inspected in 2012 until the units were removed from cover. To this sum should be added 8% simple interest per year (less tax if properly deductible) from the date each premium was paid by Mrs S to the date of my decision.

- Correct the ventilation issues in the property.
- Pay £200 compensation for the distress and inconvenience caused.

British Gas Insurance Limited must pay the compensation and premiums within 28 days of the date on which we tell it Mrs S accepts my final decision. If it pays later than this it must also pay interest on the compensation and premiums 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 Mrs S to accept or reject my decision before 13 November 2020.

Ayisha Savage
Ombudsman