

The complaint

Mr G complains that British Gas Insurance Limited mishandled his claim on a home emergency insurance policy.

What happened

Where I refer to British Gas, I refer to the insurance company of that name and I include other companies and individuals insofar as I hold that insurance company responsible for their actions.

This final decision will name British Gas, but it won't name any other company, product or individual.

Mr G had – since at least 2011 – had a British Gas policy that covered the central heating boiler at a property of which he was the landlord.

In January 2020, British Gas said the boiler needed a new heat exchanger and associated O rings. But it said that - because the heat exchanger was damaged by limescale - the policy wouldn't cover replacement.

Instead of replacing the heat exchanger, Mr G paid to replace the boiler. He complained that British Gas should've replaced the heat exchanger.

British Gas sent a final response letter dated 13 February. Unhappy with that, Mr G brought his complaint to us on 5 March 2020. He said that British Gas should pay him what it had quoted for the heat exchanger - about £411.00.

Our investigator didn't recommend that the complaint should be upheld. He thought that British Gas had applied its policy terms fairly and reasonably to decline cover.

Mr G disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- The tenant would've been present on each occasion that an engineer called.
- British Gas should've advised Mr G personally if a Powerflush was recommended.

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.

The British Gas work history for 15 December 2011 includes the following:

“.... QUOTED P/FLUSH....”

The British Gas work history for 18 December 2013 includes the following:

“ADVISE SCALE NOISE FROM H’EXCHANGER”

From those two notes, I find it likely that British Gas had told his tenant that Mr G needed to arrange a power flush.

I haven’t seen any evidence that British Gas visited in April 2017. I think its final response was incorrect about that.

From a later renewal letter, I see that Mr G had renewed the policy for a year from 7 December 2018. Since at least that time, the policy terms included the following:

*“Authority to carry out work
If you’re not at the property when our engineer visits, you must make sure that there is somebody else present who can give instructions to our engineer on your behalf.”*

I find that this term means that if Mr G wasn’t at the property, he had to have given authority to someone else to act on his behalf. As that person had to be able to give instructions on his behalf, that person also had to receive information on Mr G’s behalf so as to make an informed decision and give instructions to the engineer.

So the tenant represented Mr G. I don’t consider that British Gas had to confirm to Mr G the information it had given to the tenant on his behalf.

The policy excluded the following:

“Damage caused by limescale, sludge or other debris - if we’ve told you before that you need to carry out repairs, improvements or a British Gas Powerflush, or a similar process, but you haven’t done so.”

The British Gas work history for February 2019 includes a note as follows:

“Cleaned blocked heat exchanger fins”

As I can’t think of anything else that would’ve blocked the heat exchanger fins, I think this was caused by limescale and/or sludge. So British Gas didn’t have to clean the heat exchanger but did so anyway. Having gone to that trouble, I find it likely that British Gas told his tenant that - to prevent a recurrence - Mr G needed to arrange a power flush.

From the renewal letter, I see that Mr G renewed the policy for a year from 7 December 2019.

From its work history, I’m satisfied that British Gas had (through his tenant) told Mr G before 2020 that he needed to carry out a power flush. There’s no suggestion that he arranged a flush.

There’s no evidence to contradict the view of British Gas that by early 2020 the heat exchanger was damaged by scale.

So the policy didn’t cover a new heat exchanger. And I don’t find that British Gas treated him unfairly by saying Mr G would have to pay for one. I don’t find it fair and reasonable to direct British Gas to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct British Gas Insurance Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 September 2020.

Christopher Gilbert
Ombudsman