

## **The complaint**

Mr B complains that British Gas Insurance Limited (BG) has failed to adequately repair or replace his boiler following multiple breakdowns, under his home emergency insurance policy.

## **What happened**

In September 2017, BG carried out a repair on Mr B's boiler following a breakdown. In July 2018, Mr B had cause to call BG out again as the boiler had broken down. On that occasion its engineer cleaned various parts. But soon afterwards the boiler broke down again and new parts were fitted to the boiler.

In October 2018 the same fault occurred following another boiler breakdown. The engineer advised that a filter would need to be installed as sludge was present. Mr B pointed out that a filter had already been installed to which the engineer said no further action was needed.

In December 2018 another engineer attended following another boiler breakdown for the same fault. He advised a power flush. Mr B instructed a third-party engineer to power flush the boiler, which happened a few days later. But in February 2019, the boiler broke down again. BG attended and replaced the pump but two days following this repair, the boiler broke down again for the same reasons as before.

BG told Mr B that damage to the boiler was caused by sludge and he would need another power flush. It also said that due to the presence of sludge, further claims may not be covered until Mr B proved the boiler had been re-flushed. Mr B was unsure about this advice and sought a second opinion. He contacted another third-party engineer to see if another power flush would resolve the problem, to be told that his boiler was beyond economic repair (BER) and another power flush wouldn't have worked.

Mr B raised a complaint as he felt that BG's advice was contrary to the terms and conditions and he wanted a refund of the cost of the power flush. In its final response, BG confirmed that it wouldn't reimburse any of the costs because Mr B had refused to carry out a second power flush and it closed the case. It did offer to pay Mr B £50 by way of a goodwill gesture for the inconvenience it had caused.

Consequently, Mr B paid for a new boiler to be installed as there was no heating or hot water and he referred a complaint to our service, seeking reimbursement for the new boiler and a refund of the power flush that he had paid for.

Ultimately our investigator upheld his complaint on the basis that BG should've told Mr B much sooner that his boiler required a power flush and ought to have recognised that the boiler was BER. He said that Mr B did everything to resolve the complaint and BG should cover the cost of the new boiler and pay £100 for the trouble and upset it caused.

BG didn't accept our investigator's view. It said that it had advised Mr B to get another power flush due to the presence of sludge. And if he had done this it confirmed that it would've carried out any remedial work required. It also said that its terms and conditions didn't allow

it to replace the boiler as sludge had been found and Mr B had refused to get another power flush done. BG asked for the complaint to be referred to 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 uphold this complaint. I'll explain why I've reached this decision.

I have read the policy document, schedule, job records and I have considered the parties comments. I think there are two specific aspects to this complaint. Firstly, whether BG failed to adequately repair the boiler. And secondly whether BG failed to recognise that the boiler was BER.

I have reviewed the job records and I note that there were similar faults recorded on a few occasions. For example, various parts were repeatedly identified as requiring cleaning and on one occasion BG advised that a filter was required to prevent the build of sludge. On that occasion the engineer had missed that a filter had already been installed and previously cleaned.

It wasn't until December 2018, after several previous call outs that BG advised a power flush to resolve the issues. Mr B followed BG's recommendation and had a power flush done. But unfortunately this didn't resolve the issue and the breakdowns continued.

BG relied upon the following exclusion clause:

*'What is not covered: Damage caused by limescale, sludge or other debris or if we've told you before that you need to carry out repairs, improvements or a British Gas power flush, or a similar process, but you haven't done so'*

As it argued that Mr B refused to carry out a second power flush and so the issues with the boiler that it had identified were caused by sludge, meant that Mr B's boiler was not covered. But I don't agree, and I'll explain why.

There were a number of calls outs all for the same or similar issues. BG had identified the presence of sludge in the system. Mr B had carried out the recommended work including the power flush. The breakdowns continued and I think that once it became clear that these hadn't worked, BG were unreasonable not to have concluded that there was a fundamental issue with the boiler.

In addition, BG has said that it couldn't comment on Mr B's engineer's opinion that a second power flush wouldn't have worked. In these circumstances I must consider the evidence as it stands.

Mr B followed BG's recommendation and the power flush wasn't successful. He chose to replace the boiler without having a second power flush. He said that the third-party engineer advised him that another power flush wouldn't work and that since the new boiler has been installed, there have been no other breakdown issues for nearly a year. On balance, I am persuaded that a second power flush would likely not have been successful.

I have next looked at whether BG failed to recognise that the boiler was BER. Having reviewed the terms and conditions there is no specific term regarding when or how BG assess whether a boiler is BER. I asked BG for its comments on how it would assess

whether a boiler was BER. It said that it would continue to carry out repairs until there were no parts available and then it would replace the boiler as per the terms and conditions of the policy.

But what is of note is that there were several call outs over a relatively short period for similar issues. Repairs were carried out that seemingly didn't resolve those issues. Mr B followed the recommendations as BG had advised regarding his boiler. So, I am persuaded by Mr B's position that BG could've identified that the boiler required a power flush much earlier and consequently that the boiler was BER, as the same issues kept happening.

I have considered the terms of the policy and it says that: *'A replacement for your boiler if we can't repair it and: It's less than seven years old...'* Mr B has provided proof of age of the boiler, which shows that it was under seven years old at the time of the claim. So I think that BG should've replaced the boiler as it was clear that it couldn't repair it.

Mr B would like BG to pay for the power flush that it recommended he carry out. I haven't been provided with any expert evidence from Mr B that says that the power flush wasn't appropriate for the boiler. BG says that it was needed. Although I except that ultimately it didn't appear to be successful, I can't say that it wasn't required. So, I don't think BG should reimburse Mr B the cost of the power flush that he had carried out.

### **Putting things right**

Taking everything together, I think BG treated Mr B unfairly. And I think a reasonable and fair settlement of this complaint would be for BG to reimburse the cost of the boiler that Mr B incurred, in line with the policy terms. And to pay £100 compensation for the trouble and upset caused.

### **My final decision**

My final decision is that I uphold this complaint for the reasons given above.

I direct British Gas Insurance Limited to:

- Reimburse the cost of the boiler that Mr B incurred, in line with the terms of the policy.
- Pay £100 compensation for the distress and inconvenience caused.

British Gas Insurance Limited must pay the compensation and reimburse the cost of the boiler within 28 days of the date on which we tell it Mr B 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 Mr B to accept or reject my decision before 25 December 2020.

Ayisha Savage  
**Ombudsman**