

The complaint

Mr and Mrs H complain about the service they received from British Gas Insurance Limited during their annual boiler service. They're also unhappy with the service they received afterwards.

What happened

Mr and Mrs H held a HomeCare policy with British Gas Insurance Limited – hereafter referred to as “British Gas”.

In December 2018 Mr and Mrs H were having building work undertaken at a property that they own and rent out. During the course of the works a new boiler was fitted and the flue was incorrectly sealed by the builders Mr and Mr H had instructed to install a new roof.

On 15 January 2019 a British Gas engineer attended Mr and Mrs H's rental property in order to undertake an annual boiler service and gas safety check. A gas safety certificate was issued the following day, which confirmed the boiler was operating safely and properly.

During May 2019 a British Gas engineer attended Mr and Mrs H's rental property to inspect their boiler as it had broken down. They informed them that the boiler flue was incorrectly sealed – it wasn't terminating properly and inappropriate fittings had been used. So, the boiler wasn't meeting gas safety regulations.

As the boiler fault had been caused by the builders who'd been working at Mr and Mrs H's rental property the work needed to rectify the problem wasn't covered under their HomeCare policy. And the engineer advised Mr and Mrs H how to resolve the issue and provided them with a quote for the remedial work required.

Mr and Mrs H complained about what they'd been told by the engineer because their boiler had been certified as safe and working correctly four months earlier following a service and safety check. Mr and Mrs H said there'd been no interference with the boiler after the date of the January inspection. So, they felt the engineer that attended their property in January 2019 should have pointed out to them that their boiler was unsafe at the time of the service.

Mr and Mrs H said if they'd been made aware of the problem with their boiler at the time of the service this would have enabled them to ask their builders to put right the problem they'd caused. And they felt disadvantaged as their builders were refusing to accept responsibility for what had happened to the boiler given that it had been certified to be in proper working order after the building works had been completed.

When British Gas responded to Mr and Mrs H's complaint it explained that it wasn't responsible for the condition of the flue. So, any remedial work would incur a charge as it fell outside of remit of Mr and Mrs H's HomeCare policy. But it accepted they'd experienced poor customer service and distress and inconvenience due to the engineer that serviced their boiler in January 2019 not identifying an error with the flue. And it sent them a cheque for £50 to recognise that.

Being dissatisfied with British Gas' response to their complaint Mr and Mrs H referred it to our service. Our investigator assessed the information provided but didn't think British Gas were responsible for the cost of repairing the boiler. They initially thought the compensation payment British Gas had made by cheque was fair and reasonable. However, they later recommended that British Gas pay a further £150 compensation to reflect the impact of the error it made. But British Gas disagreed with our investigator's recommendation and asked for this 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.

My role here is to assess whether I think British Gas made a mistake, or treated Mr and Mrs H unfairly, such that it needs to now put things right. So, I've thought very carefully about what happened.

It's not in dispute that the problem with the boiler was caused by the builders that undertook work at Mr and Mrs H's rental property and that this damage occurred prior to the January 2019 boiler inspection taking place. I say this because Mr and Mrs H have provided evidence to British Gas, which it's accepted, that shows the work to the new roof was completed by their builders in December 2018. And this is the work that caused the problem with the boiler.

I understand that Mr and Mrs H want British Gas to cover the cost of the boiler repair. But, having seen the terms and conditions of their HomeCare policy I can't fairly ask it to do that here. I say this because their policy excludes *"deliberate damage or faults created by someone else you have used for repairs"*.

It appears Mr and Mrs H held a HomeCare policy for some time prior to this problem arising. So, I'm satisfied they ought to have been aware of what their policy covered. And, even if they weren't, I can see their renewal quote set out clearly the policy exclusions. And this means I think British Gas took reasonable steps to outline what was included in the HomeCare policy Mr and Mrs H purchased.

As British Gas isn't responsible for the condition of Mr and Mrs H's boiler I can't find that it acted unfairly in declining to cover the cost of repairing the boiler – particularly when it's excluded under the policy terms. So, Mr and Mrs H will need to take up the cost of their boiler repair with their builders if they wish to pursue this further.

After careful consideration of the available evidence, it's clear to me that the British Gas servicing engineer missed an opportunity to diagnose the fault with the boiler, and identify an at risk situation, in January 2019. It was reasonable for Mr and Mrs H to expect British Gas to undertake a proper and thorough inspection of their boiler prior to issuing a gas safety certificate. And I can understand their disappointment and frustration when they learnt, four months after the service took place, their boiler had been unsafe for some time. They had responsibilities as landlords to provide a safe home to their tenants and the issues with their boiler should have been identified at the time of the service.

I've thought about the prejudice Mr and Mrs H suffered as a result of the delay in finding out about the problems with their boiler. The builders that had undertaken work at their rental property won't now remedy the boiler fault. Mr and Mrs H said this was because the warranty period they had in which to raise concerns with the work undertaken was three months. So, it had lapsed by the time they were made aware that the builders had caused the issue with the boiler. That isn't Mr and Mrs H's fault.

Based on the action Mr and Mrs H took after being made aware of the problem with their boiler I can see they were proactive. And so, I'm persuaded they'd have raised the boiler fault with their builders within the warranty window if it had been identified during the January 2019 service.

I've seen evidence that Mr and Mrs H's builders were still completing work to other parts of their rental property in January 2019. It's therefore likely the builders would have remedied the boiler fault prior to completing their work if it had been brought to their attention while they were still on site.

I appreciate that British Gas has confirmed in writing to Mr and Mrs H that the boiler fault was present at the time of the service. And this can, of course, be used by Mr and Mrs H to pursue their builders for the costs of resolving the fault they caused. But I think the four month delay in finding out about the issue with the boiler put Mr and Mrs H at a significant disadvantage when they asked their builders to repair the fault they'd created. I say this because the builders completed the works that caused the problem in December 2018 and have seen a gas safety certificate dated about a month afterwards, which certifies the boiler as safe and in good working order. I can therefore see why they've denied liability for what happened and been unresponsive to Mr and Mrs H's efforts to contact them. I think if British Gas had identified the fault with the boiler in January 2019 Mr and Mrs H would have been able to resolve matters much more easily with their builders. And it's unfair that they're now suffering prejudice due to an error made by British Gas.

Putting things right

British Gas accepts that the service Mr and Mrs H received was poor and it's already sent them a cheque for £50 as a gesture of goodwill in recognition of the distress and inconvenience they were caused. Our investigator initially felt this compensation amount was fair and reasonable. However, they later issued a second view in which they recommended British Gas increase that payment to £200.

It's clear British Gas feels the payment it's already offered Mr and Mrs H adequately reflects their experience here. And it thinks our investigator's recommendation is unfair and disproportionate. So, I've thought carefully about what a fair and reasonable offer to put things right looks like here.

We aren't here to punish businesses. And when our service considers an award of compensation we look at the impact of a business' mistake on the consumer.

Mr and Mrs H told our investigator that someone could have been harmed and something dangerous could have happened as a result of the boiler being unsafe. But, our service has to consider what actually happened. So, we can't award compensation based on hypothetical and speculative situations.

I've already outlined the extent to which Mr and Mrs H were inconvenienced by British Gas' error in not identifying the boiler fault during the January 2019 service. And, having had regard to the impact that error had on Mr and Mrs H, I'm not persuaded the compensation already paid adequately recognises the trouble and upset they would have experienced.

In the overall circumstances of this complaint I'm satisfied that the additional £150 compensation recommended by our investigator would be fair and reasonable here. This takes the overall award to £200 and it's what I would have directed British Gas to pay had no offer been made. It's also in line with awards made by this service in comparable circumstances.

I understand that British Gas has already sent Mr and Mrs H a cheque in the sum of £50. So, it should now pay them an additional £150 compensation to resolve this complaint. That's all I'm going to tell British Gas to do here. I'm not going to ask it to refund the HomeCare premiums Mr and Mrs H paid as they wanted for the reasons the investigator outlined in their view.

My final decision

My final decision is that I uphold Mr and Mrs H's complaint. British Gas Insurance Limited should pay them an additional £150 in compensation to resolve this part of their complaint (taking the total amount to £200).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 22 September 2020.

Julie Robertson
Ombudsman