

The complaint

On behalf of his late wife Mrs C, Mr C complains that British Gas Insurance Limited is responsible for poor service in connection with a home emergency insurance policy.

What happened

Sadly, Mrs C passed away on 2 August 2020. I'm sorry for Mr C's loss.

Mrs C had a British Gas policy. It covered a central heating boiler or warm air unit ("WAU"). The cover included an annual service.

As she suffered dementia, Mr C was Mrs C's carer and dealt with matters on her behalf. British Gas had recorded her as a vulnerable customer.

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules (DISP). We may deal with a consumer complaint about a regulated activity such as providing insurance. We don't have power to deal with a complaint about an unregulated activity such as quoting a price for work not covered by insurance.

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.

Mr and Mrs C had an old WAU. On 17 September 2019 British Gas visited to do an annual service. During that service, British Gas said the flue was dangerous and cut off the gas supply to the WAU.

Mr C cancelled the cover. He wrote a letter of complaint to British Gas dated 30 October 2019. He chased the complaint in November 2019 and January 2020. He brought his complaint to us on 21 January 2020.

our investigator's opinion

Our investigator recommended that the complaint should be upheld. She thought that British Gas had treated Mr C unfairly and made an error in the way it managed the claim and communication with him. She thought that British Gas hadn't actively tried to resolve the claim. As a result, Mr and Mrs C suffered without heating and hot water.

The investigator recommended that British Gas should pay Mr C £500.00 for distress and inconvenience.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr C and to British Gas on 3 September 2020. I summarise my findings:

The policy didn't cover a replacement of the flue or the WAU and it didn't cover the hot water cylinder. So, unfortunately, all the options open to Mr C would involve a cost to him.

Subject to any further information from Mr C or from British Gas, my provisional decision was that I wasn't minded to uphold this complaint. I didn't intend to direct British Gas Insurance Limited to do any more in response to this complaint.

British Gas agreed with the provisional decision.

Mr C disagreed with the provisional decision. He says, in summary, that:

- British Gas has been trying to eliminate WAUs from its system.
- The flue could've been leaking from the first join - less than 1 metre from the flue terminal.
- British Gas said it didn't want the job.
- British Gas was on a sales drive for "wet" central heating systems (with radiators).
- British Gas recommended a wet system to Mr C. He didn't want the upheaval.
- He never asked for any of the solutions to be cost free.
- He chose a new WAU at over £6,000.00.

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.

From the British Gas work history, I see that the WAU dated from 1992 and British Gas had been covering it for about ten years.

I've seen a photograph of a cupboard containing the WAU and a hot water cylinder. From what Mr C and British Gas have each said, the WAU (despite its name) provided not only warm air but also hot water. That water was stored in the cylinder but there was no electric immersion heater in the cylinder.

I've also seen a photograph of the flue inside the roof space.

Mrs C's policy automatically renewed for a year from 13 March 2019. She didn't have "central heating" cover or "plumbing and drainage" cover – so there was no cover for the hot water cylinder.

Mrs C had "boiler and controls" cover and cover for a gas fire. The boiler and controls cover provided for repair or replacement of parts including a flue up to a metre in length. The cover included a replacement of a boiler or WAU but not if it was over ten years old (unless it had caught fire or exploded).

The cover was subject to policy terms. They included the following:

“What’s not covered

Repairing or replacing the flue including the flue terminal for any open flued appliances or if the flue is over one metre in length...

Working in dangerous or unsafe conditions

*We won’t start or continue doing any work in your **home** if we believe there’s a health and safety risk, for example: hazardous chemicals, pest infestations, verbal or physical abuse, or harassment. And we won’t return to finish the work until that risk is gone.*

*If any asbestos needs to be removed before we can **repair** your boiler, appliance or system, you’ll need to arrange and pay for someone else to remove it and give you a Certificate of Reoccupation which you’ll need to show us.”*

So the policy didn’t cover a flue longer than a metre. And the policy didn’t cover asbestos removal work.

Mr C and British Gas agree that the WAU was working up to the annual service visit on 17 September 2019. So I can understand that Mr C wasn’t expecting British Gas to turn it off.

But I haven’t seen any evidence that British Gas was wrong that the flue was leaking carbon monoxide and was dangerous. So I accept that British Gas had to disconnect the gas supply.

From the photograph, I find that the flue was over a metre in length.

I’ve seen a certificate from a laboratory. From that, I find that British Gas sent asbestos experts to take samples on 24 September and they reported on 25 September 2019 that tests showed the flue was of asbestos cement.

As the flue was over a metre in length and contained asbestos, the policy didn’t cover a repair or replacement. I don’t find that British Gas treated Mr or Mrs C unfairly by declining to do such work free of charge.

I’ve seen evidence that British Gas (or strictly speaking a company associated with that insurance company) was reluctant to quote a price for a new flue. Mr C has provided its checklist dated 18 September 2019 which includes the following:

“Warm Air Immediately Dangerous, new flue required, would need owner/roofer to install new flashing and us to replace flue. Not work we want to be involved with as per Manager...”

But British Gas (or strictly speaking a company associated with that insurance company) later quoted for work that was outside the policy cover. I don’t have power to comment on the approach that the company took to quoting for such work.

British Gas has provided some itemised phone bills. From those, I see that it made calls to Mr C on 27 September and 7 and 8 October 2019. Each call is shown with a duration of at least ten minutes. So I find it likely that British Gas gave Mr C an explanation of why it hadn’t got his WAU working and what his options were.

Mr C’s letter of complaint called for a final response with written reasons. Under DISP, British Gas should’ve sent a final response within eight weeks. I don’t think it sent any final

response at all. I don't condone that. But it didn't delay Mr C by more than about three weeks in bringing the complaint to us.

I consider that – to an extent - the lack of a final response also hampered our investigation. However, I have to disagree with our investigator's opinion and recommendation.

I have to place weight on the policy terms. The policy didn't cover a replacement of the flue or the WAU and it didn't cover the hot water cylinder. So I don't find that any failing on the part of British Gas was responsible for the lack of central heating and hot water at Mr and Mrs C's home from 17 September 2019.

So I don't find it fair and reasonable to direct British Gas to pay Mr C compensation on behalf of Mrs C's estate.

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 C on behalf of the estate of Mrs C to accept or reject my decision before 20 October 2020.

Christopher Gilbert
Ombudsman