

The complaint

Mr E has complained that British Gas Insurance Limited (BG) won't repair his boiler and declare it safe because there is corrosion present.

I've previously issued a provisional decision in relation to this complaint and received further submissions from Mr E to which I'll refer below.

What happened

The background to this complaint is known to both parties and has been summarised by our investigator in her view. I therefore won't repeat it in detail here. But I will just mention what I understand to be the main areas upon which Mr E and BG disagree.

Mr E's boiler is 25 years old and BG has serviced it since 2009. At BG's service visit in 2014, corrosion was noted in the combustion chamber, but the engineer's report at that time was that it was "still sound and intact".

At the service visit on 11 October 2019, corrosion was again noted in the internal casing and also in the flue. BG has explained that corrosion is caused by natural processes such as condensation, fatigue and age and isn't due to inadequate maintenance. BG's engineer classified Mr E's boiler as "at risk".

Mr E has referred to the gas safety certificate which was issued which states that his boiler is "at risk". In response to the question "is the appliance safe", the certificate says "no". He argues that a repair therefore needs to be done to make it safe, and that BG is obliged to undertake a repair. He's referred to his policy terms which say that it covers all repairs, and that repairs are defined as:

"to fix your boiler, appliance or system following an individual fault or breakdown but not repairs that are purely cosmetic (for example; mould, dents or scratches) or related to software which doesn't stop the main function of your boiler, appliance or system from working or make it unsafe."

BG has said that Mr E's policy doesn't cover him for repairs where corrosion has been identified. Mr E doesn't agree that corrosion is excluded from his policy. He wants BG to make his boiler safe and serviceable.

BG has said that Mr E's boiler is currently still operational although corroded. It can't do anything about that. It can't replace the affected part[s] as these are no longer available. It's said that the combustion box, where corrosion was first identified in 2014, was never available as a standalone part and the boiler ceased production in the 1990's. Because of the corrosion, BG says it had no option but to categorise the boiler as "at risk", and to issue a certificate with this advice.

BG has explained that if a boiler is classified as "at risk", that doesn't make it unserviceable. It says that it's entirely up to the customer to decide whether they wish to keep using it or to

take the steps necessary to remove the risk, if there are steps that can be taken. In Mr E's case, BG says the only way to remove this risk would be to replace the boiler.

It says it continually advised Mr E that a replacement boiler would be the only way to remove the risk entirely. It says recommendations and paperwork would have been left with the responsible adult that Mr E arranges to be at the property at a service visit, but it would be between Mr E and his tenant to arrange communications regarding the service visit. Advice was also sent to Mr E in his annual renewal documents. Mr E's renewal notice for 2019 gives an example of this. It states:

"Our records show that your boiler is Baxi Heating Ltd SOLO WM 30/4 RS. Your boiler's manufacturer stopped making your particular model of boiler a while ago. They're still making the most important parts for your boiler, some other parts are becoming difficult to source. This means we may not be able to fix your boiler if it breaks down, but we'll do our best to keep it running for as long as possible. In the unlikely event we can't fix the boiler, you may be able to get a refund back dated to when you last had work done, or to when you renewed your agreement - whichever's the most recent."

Mr E brought his complaint to this service. He didn't agree with the view of our investigator and has asked that his complaint be considered by 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.

I've looked closely at Mr E's response to my provisional decision, and have gone back to look again at what BG has said. But what Mr E has said in his response doesn't persuade me that I should change my decision. So I'm still not upholding his complaint.

Ultimately, Mr E wants BG to repair his boiler so that it's safe and serviceable. His policy covers him for repairs. He says "The boiler should be made good as there is clearly a fault which renders the boiler unsafe as per their terms and conditions. If there is no fault it should be marked as "safe"."

The "fault" is corrosion. I don't consider that corrosion is an exclusion in Mr E's policy. But the presence of corrosion, which has caused BG to state that Mr E's boiler is "at risk", isn't something it can do anything about. It's a consequence of the boiler's age, as is the unavailability of parts that suffer from corrosion. BG says that:

"Eventually the corrosion got to a point where the engineer classified it as "At Risk" due to the corrosion getting worse meaning we were highlighting the issue formally to the responsible person and were having to complete the Landlord CP12 paperwork accordingly. From what I can see, the boiler wasn't condemned and was still operational but we were putting the responsibility back into the hands of the end user or owner due to the increased corrosion."

BG is relying on the fact that no repair is needed to Mr E's boiler as it is still working, but some parts are corroded and can no longer be replaced. It can't continue to repair an old boiler if the parts required are no longer available from the manufacturer or another approved supplier. I think that's reasonable. Its why BG has recommended a new boiler as the only way to address the boiler now being "at risk".

Mr E acknowledges that BG has issued a cautionary notice in its policy renewal letters advising that parts may cease to be available. BG says it will do its best to keep his boiler running for as long as possible. But until it breaks down, BG won't know what new parts might be required to repair it, and whether these are still available.

I think it's reasonable for BG to allow a policy to continue in these circumstances on the basis that if it breaks down, and it can't be fixed because of the unavailability of parts, it will consider a refund of premium. A customer won't therefore have paid for a service that BG isn't able to provide.

I'm satisfied that BG has given Mr E notice when his policy is due for renewal that parts needed in the future may no longer be available. He could therefore make a decision as to whether he would like to continue his cover in this knowledge. But if they are no longer available, BG can't do a repair.

I'm satisfied that BG has acted fairly and reasonably in the circumstances of this case.

My final decision

For the reasons I've given above, I'm not upholding Mr E's complaint against British Gas Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 15 January 2021.

Nigel Bremner
Ombudsman