

The complaint

Mr D's complaint is about the service provided under his central heating and plumbing policy with British Gas Insurance Limited.

What happened

I issued a provisional decision on this matter in November 2020, part of which is copied below:

"Mr D has held a policy with British Gas since 2010. The policy cover includes an annual service of the boiler.

In January 2019, Mr D contacted British Gas, as he had not been receiving reminders about his annual service and had not have one done since 2013.

British Gas said the boiler had been serviced in August 2018 when one of its engineers had attended to repair a leak in the boiler. Mr D says the engineer did not look at any radiators and or other pipework and did not carry out that service as alleged. He asked for a refund of the service charge for the policy year 2018/2019.

In addition, Mr D is unhappy that the engineer said the hole in the pipe had been caused by a high water pressure problem in his village. The engineer had recommended that Mr D buy a pressure reducing valve for £238. Mr D says he has never been recommended this product before, or told he lives in a high water pressure area. Mr D also says he mentioned to the engineer he was having trouble with the on/off controls on his boiler and he was told this would be sorted if he chose to install the pressure reducing valve.

Mr D therefore says British Gas should pay for the valve, if it is needed to resolve a problem with the boiler controls. He also wants confirmation that British Gas will not refuse to attend in the future.

British Gas didn't respond to most of Mr D's complaint but said it had sent several annual service reminders by post to Mr D's address over recent years. British Gas says an annual service was carried out in 2018 and said the engineer had taken readings which would be done during a service.

British Gas also said the engineer remembered Mr D's job and said he recommended the pressure reducing valve to reduce the water pressure based on his local knowledge of the area. British Gas also said that there have been six call outs since February 2010, which could be attributed to domestic hot water leaks caused by excessive water pressure. British Gas says that it has advised Mr D of a necessary change/upgrade to his system (i.e. the pressure reducing valve) and so if he doesn't have this fitted, it will not go out again for the same fault.

One of our investigators looked into the matter. She was satisfied that British Gas had sent reminders about the annual service to Mr D, as it had provided copies of letters and postcards sent to his address from 2015. However, she concluded it was unlikely the

engineer had completed the annual service in August 2018, as he didn't apparently check any other parts of the heating system and the checklist left with Mr D that day doesn't state that an annual service of the boiler was carried out. She therefore recommended the British Gas refund £65 for the annual service not carried out in 2018 and pay £35 compensation.

The investigator did not consider it fair to ask British Gas to pay for the pressure reducing valve, as the policy only covers boiler/central heating breakdowns and not improvements or upgrades to the system. And she was satisfied it was reasonable for British Gas to recommend the valve, given the call outs relating to high pressure. Finally, the investigator asked British Gas to go back to look at the controls when it is able to.

Mr D does not accept the investigator's assessment. He has made a number of submissions, which I've summarised below:

- There were not six occasions since February 2010, which could be attributed to domestic hot water leaks caused by excessive water pressure, as stated by British Gas and the investigator.
- There were three call outs, with duplicate entries which have been identified as separate occasions according to British Gas. It has attended three times over an 8.5 year period, to effect repairs which British Gas have concluded could be attributed to domestic hot water leaks potentially caused by excessive water pressure
- British Gas's report doesn't record the purpose of each visit or what if any, repairs were carried out and it has said it doesn't have copies of the original engineer's reports. So it has not been able to provide any evidence in support of its claim that the area in which he lives is an area of high water pressure.
- He was never advised of any water pressure issues at any of the attendances. But even if they were, this would mean British Gas has decided that more than two related faults within an 8.5 year period are deemed excessive. Is this fair and reasonable when you consider that British Gas only guarantee their engineers' work and corresponding parts for 12 months?
- The compensation of just £35 for inconvenience caused is unnecessarily harsh and is a disincentive for pursuing an issue.

The work record provided by British Gas was not complete and so I asked the investigator to go back for a full copy, showing the reasons for each call out and work done. A copy of this has been provided to Mr D along with this decision.

What I've provisionally 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.

annual services

The policy documents issued in June 2018 say:

"When your annual service is due we'll send you or your authorised contact an email, letter, text message or call you to arrange it. We'll try to get hold of you up to three times. If we don't hear back from you after the third time, we won't try again and won't refund the cost of the missed annual service. But you can still contact us at any time to book it."

British Gas therefore says it is not its fault that annual services have been missed and the contract provides that there will be no refund.

However, British Gas has not demonstrated that this same policy wording was in every policy from 2010 onwards. It is my understanding that it was not in some of the earlier policies.

There was an initial service in February 2010 when Mr D first took out the policy. British Gas's records show there was also one carried out in 2011, 2012, 2013 (at the same time as a repair) and 2018 (again at the same time as the repair). So there was no service for five years and possibly not a proper service in 2018 either.

Even if the policy wording set out above, was in place from 2010 (which I do not think it was), it seems to me that British Gas was aware the boiler had not been serviced for around five years and so should have made other attempts to contact Mr D about this. I don't consider it enough to have sent the same reminders in the same way year after year. This meant not only that Mr D was not getting the full cover he was paying for but also that the integrity of the boiler might have been affected. So, while I have no particular reason to doubt the reminders were sent, it seems fair and reasonable to me that at least after a couple of years, British Gas should have tried to contact Mr D by other means to see why he was not booking the service visits. A phone call would probably have sufficed. The cost of the annual service is apparently £65. Overall it seems to me that a refund of three years' annual service fee would be fair and reasonable, which would equate to £195.

August 2018 repair and future cover

Since Mr D took out the policy in 2010, he has apparently had four repairs carried out.

In February 2010 the initial service visit (during which British Gas would inspect the boiler and ensure it is prepared to provide cover) it identified that the seals on the secondary heat exchanger and pressure relief valve needed replacing, which it apparently did. It attended on 1 and 2 February 2010 to resolve this. British Gas has counted this as being two out of the six breakdowns it has attended for possible water pressure issues. Even if it were related to high pressure, it would only reasonably be counted as one occasion.

In December 2013 there was an attendance in relation to a pinhole leak in the water system, which British Gas says could also have been related to high water pressure.

There are then the attendances in August 2018 which relates to the claim which is the subject of this complaint. British Gas has counted this as three breakdowns. Again, I can't see how this can be treated as more than one breakdown.

So the evidence is that there have been four boiler faults dealt with under the policy, over a period of 8/9 years, and three of these British Gas says could be related to high water pressure.

However, I have seen no independent evidence of any localised pressure problem where Mr D lives. Indeed, British Gas has confirmed that its engineers would not have any equipment to test the actual mains pressure. In addition, it has only said that these attendance could be related to high mains pressure. Again there is no convincing evidence to support this. And I note that in its email of March 2020 to us, British Gas said that Mr D's complaint was the first indication it had had that there was a high pressure problem at the property.

British Gas says it would not go out to Mr D's property again for the same fault to his boiler, as it has advised an improvement to the system which would resolve the cause of these faults. It says this means that unless he pays for the pressure reducing valve to be fitted, it might not cover any future claims relating to high pressure. As I am not persuaded that

British Gas has established there is a high water pressure issue, which has caused any claims under the policy, I see no reason why Mr D should have to pay to have the valve fitted; and I am not satisfied that British Gas would be entitled to refuse any claim on this basis. There is nothing in the policy, and it is not fair or reasonable, to significantly reduce the cover provided under the policy paid for by Mr D for something that 'may' be a result of high pressure but which has not been established. I do not therefore consider it can reasonably refuse any future claim for this reason.

Mr D had also apparently told the engineer that attended in August 2018, that he was also having trouble with the boiler controls and the engineer told him the pressure reducing valve would resolve this. British Gas agreed to go out to look at the controls again and it should do so at Mr D's earliest convenience, with current restrictions allowing. If that is the way to resolve the issue, then it should be covered under the policy.

My provisional decision

I intend to uphold this complaint against British Gas Insurance Limited and require it to do the following:

- *refund annual service costs £195 (this includes the £65 already offered in respect of this); and*
- *pay £250 compensation for the handling of this matter.*

I also do not consider it reasonable for it to refuse any future claims on the basis that the pressure reducing valve has not been fitted."

Responses to my provisional decision

I invited both parties to respond to my provisional decision with any further information or arguments they want considered.

Mr D has confirmed he has received my provisional decision. He had confirmed previously his record of the annual services carried out on his boiler and wanted to ensure I had that information. He said that the only full service was carried out when he first took the policy with British Gas in February 2010. This was the only time that British Gas checked and bled all the radiators, checked the radiator valves and all associated pipework for corrosion / leaks. More basic services of the boiler were carried out in 2012 and 2013, with no inspection of the radiators. He doesn't say that he has a record of one being carried out in 2011, and the one in 2018 is also disputed.

British Gas has also responded to my provisional decision. It has confirmed it accepts my findings regarding the £250 compensation and agrees to continue to honour the cover without having the pressure reducing valve fitted.

However, British Gas does not accept that it is fair to require it to refund three years' worth of annual service visits. It says it sends policy documents every year, which makes clear that the cover includes an annual service. And, it has fulfilled its terms and conditions by sending reminders each year to book this. It does not have a duty to move outside of these terms and conditions. British Gas says the onus should be on the customer to ensure the service is complete and it can only be expected to remind them to book the visit. It does not agree that it can be expected to call someone, if they fail to respond to its letters.

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 considered all the evidence again, including the points made by British Gas in response to my provisional decision, I am not persuaded to change my provisional findings.

British Gas's records show a service was carried out in 2011. However, both parties agree that no service was carried out in 2014, 2015, 2016 or 2017. Mr D suggests that the services carried out in 2012 and 2013 were not complete services either but I do not think it needs to check all the radiators on each visit, unless there is something to suggest there is a problem with them. It is only required to check the boiler itself during an annual service.

British Gas says it was Mr D's responsibility to ensure the boiler services were arranged and carried out and it cannot be expected to call a policyholder to do so. While British Gas might have met the strict terms of the policy, I do not agree that this fulfils its obligations to generally treat customers fairly.

British Gas would have been aware that a service provided and paid for under the policy had not been carried out for several years and I remain of the opinion that it would have been reasonable for it to have tried an alternative means of contacting Mr D to find out why he had not made these appointments. British Gas says it cannot be expected to phone a customer to do this but the policy does state: "*When your annual service is due we'll send you or your authorised contact an email, letter, text message or call you to arrange it*". I am not persuaded a phone call would be expecting too much after four years of no service visit.

Overall therefore, I see no reason to change my provisional finding that British Gas should refund three years' annual service fees, which would equate to £195.

British Gas has confirmed it accepts my findings about the August 2018 repair and future cover and Mr D has not provided any further comments about this, so I see no reason to change my provisional findings about this.

My final decision

I uphold this complaint against British Gas Insurance Limited and require it to do the following:

- refund annual service costs £195 (this includes the £65 already offered in respect of this); and
- pay £250 compensation for the handling of this matter.

I also do not consider it reasonable for it to refuse any future claims on the basis that the pressure reducing valve has not been fitted. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 21 January 2021.

Harriet McCarthy
Ombudsman