

## **The complaint**

Mr S complains that British Gas Insurance Limited (British Gas) gave him a poor service under his HomeCare policy. He says this led to his tenants withholding rent and to repairs being needed at his property.

British Gas Insurance Limited is the insurer responsible for meeting claims under the policy. So when I refer to British Gas I refer to that insurance company and not to any company with a similar name.

## **What happened**

Mr S owns a property which he rents out. He has boiler cover through his HomeCare policy through British Gas. In October 2019 the boiler became faulty and British Gas was called in.

Mr S says that British Gas visited his property on 7 October 2019. But they didn't tell him the boiler couldn't be fixed for two weeks.

Mr S says British Gas visited his property 19 times until a new boiler was installed on 30 October 2019. Due to the problems caused by the broken boiler, Mr S says his tenants were without hot water and heating for 23 days. And that they were without water for 24 hours. Mr S says that his tenants withheld rent for the month of October 2019, because of the problems with the boiler. He asked British Gas to cover the £1,425 he'd lost because of this.

Mr S also says British Gas damaged his property when the new boiler was installed. He asked them for a further refund for the cost of repairing his property.

British Gas didn't agree they should cover the lost rent or the cost of the repairs. But they did agree that they'd caused inconvenience and that there'd been an excessive number of visits before it was considered the boiler couldn't be repaired. They first offered £100, which they increased to £150, to recognise the poor service they'd provided. Mr S didn't think this was enough recompense. So he complained to this service.

Our investigator didn't uphold the complaint. He said that while it was clear that the tenants did withhold rent, he couldn't hold British Gas responsible. He also said that this service couldn't help with the complaint about repairs the property needed after the installation, as the installation wasn't covered under the policy. Mr S didn't agree so his complaint has been passed to me for a final decision.

## **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'm not going to uphold Mr S's complaint. I'll explain why.

### *The poor service*

I'll first consider whether the £150 British Gas offered for the inconvenience they caused is fair and reasonable under the circumstances of this complaint.

It's important to note that any awards this service makes for distress and inconvenience aren't designed to punish a business for any wrongdoing – that's the job of the regulator (the Financial Conduct Authority). But we do expect businesses to acknowledge any wrongdoing and make it right.

British Gas have acknowledged that there were too many visits to fix the boiler. They've offered £150 in compensation for those issues. Given all the evidence, which I'll address in detail in "*The withheld rent*" section next, this is in line with what I would've recommended if British Gas hadn't already made their offer. So I don't intend to ask them to do any more than they've already offered for the inconvenience all the visits caused.

#### *The withheld rent*

Mr S says he's had to compensate his tenants for the lack of hot water/heating while the repairs were being attempted. He says the high number of visits meant that the tenants were without working heating and hot water for some time and that this led to them withholding rent.

It's clear that some inconvenience for the tenants must be expected when there's a problem with the heating system that needs to be fixed. So I need to assess whether the way that British Gas handled the matter added to that.

I note that the initial fault was intermittent. I also note that the policy requires British Gas to carry out repairs "*within a reasonable time*". I also consider that I can only hold British Gas responsible for any part of the delay in fixing the boiler that could've reasonably be avoided.

From the call notes, British Gas sent engineers out on 13 separate occasions between 7 and 30 October 2019, when the new boiler was eventually installed. Two of the visits were for a separate leak unrelated to the complaint. Two of the visits were unsuccessful as no one answered. And two of the visits were to install the new boiler. So the records show seven visits to identify the issues.

The first two visits, on 7 October 2019 and 14 October 2019, appeared to have successfully fixed the initial fault. It looks like it took British Gas a week to return and fit the parts. Although that's longer than I'd expect, given the tenants were without heating and hot water, British Gas did try to visit the property on 8 October 2019. So I can't hold them responsible for any delays to the repairs up to 14 October 2019 as I can see they tried to return one day after the initial visit to repair the fault.

The boiler failed again. So the next five visits were between 16 October 2019 and 23 October 2019. An engineer attended the day the issue was first raised and ordered the parts he thought were needed. Two further visits took place on 21 October 2019. One of these was by an engineer who wasn't qualified to do the required job. But a qualified engineer did attend later the same day, so the mistake didn't cause delay. I can see that the tenants would be upset at having to wait five days between the initial visit and the second visit, given the problems they were experiencing. But I would expect there to be a short wait for the replacement part. Engineers had to visit again on 22 and 23 October and it was at this point that British Gas decided that the boiler couldn't be fixed.

The new boiler was installed between 29 and 30 October 2019. I can see that Mr S called British Gas on the 29 October to complain that it had taken too long to install the new boiler.

Looking at all the information provided, I haven't seen enough evidence that British Gas took too long to identify that the boiler couldn't be repaired. It appeared that their engineers had fixed the problems with the boiler by 14 October 2019. And it seems reasonable that British Gas attempted a different type of repair between 16 and 21 October 2019 before declaring that the boiler needed to be replaced.

I can see that it took around a week after realising the boiler couldn't be repaired for a new one to be installed. But I have no evidence to show that British Gas was responsible for any delays to the installation process. I also note no record of British Gas failing to attend or cancelling appointments.

In looking at Mr S's complaint, British Gas said they'd considered the inconvenience caused and agreed that the number of visits required before the boiler was considered irreparable were excessive. So they offered £100 to recognise the poor service provided. When Mr S explained that, because there was no heating and hot water for a period of time, his tenant had withheld rent and he'd had to pay them compensation, British Gas said they couldn't provide compensation up to the level of the withheld rent. But they agreed to increase the level of compensation to £150.

Mr S's policy does provide cover for alternative accommodation when there is a drastic problem with a boiler. The policy booklet says:

*Costs of up to £500 for alternative accommodation and travel if your **home** is unfit to live in as a result of your boiler catching fire or exploding*

But it doesn't provide cover for situations like this one, where issues with the boiler take time to identify. And I note that the tenants still had use of the property during the repairs, although of course living in the property would've been far from ideal under the circumstances.

There were some points over the period that the boiler was being assessed that the tenants were without heating and hot water. And there was one day when the tenants were without water altogether. This must've been extremely inconvenient. And, from the evidence I've seen, the tenants clearly felt that they shouldn't have to pay full rent over the period that they were suffering from the consequences of the broken boiler.

But the tenancy agreement Mr S has provided doesn't show that his tenants were entitled to withhold rent because of the problems caused by the broken boiler. And the HomeCare policy doesn't provide recompense for the consequences of a broken boiler. So I can't hold British Gas responsible for any loss of rent.

#### *The installation damage*

Mr S says that British Gas caused damage to his property when they fitted his new boiler. Unfortunately, based on the information I have, I consider that this service has no right to consider this part of the complaint.

The complaint handling rules set out by the Financial Conduct Authority's (FCA) handbook confirm the circumstances in which we can look at a case. As the damage was caused during the installation process, this wasn't covered under the HomeCare agreement. We can only consider actions that take place under the terms and conditions of Mr S's HomeCare policy with British Gas.

I note that the policy covers a boiler replacement if it's either less than seven years old or between seven and ten years old and continuously covered by a HomeCare agreement. But as Mr S has confirmed that the boiler was over ten years old, he had to pay for the replacement. So, as the new boiler wasn't provided under the terms of the policy, the

installation wasn't covered by the policy. So unfortunately this service can't look at this part of the complaint.

In summary, I can't consider the damage Mr S says was caused during the installation of the new boiler as part of this complaint. Unfortunately I can't hold British Gas responsible for Mr S's tenants withholding rent, even though I can see that the lack of hot water/heating would've made living in the property worse for the tenants. And I've looked at the offer British Gas made in respect of the inconvenience they caused and it seems fair and reasonable under the circumstances. So I can't ask British Gas to do any more.

### **My final decision**

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 April 2021.

Jo Occleshaw  
**Ombudsman**