

The complaint

Mr and Mrs T complain about the way British Gas Insurance Limited handled a claim they made on their home emergency insurance policy.

What happened

In summer 2020, Mr T and Mrs T contacted British Gas, as their boiler had stopped supplying hot water. An engineer attended and Mr and Mrs T say the engineer told them the part that needed to be replaced was no longer available given the boiler's age, which was about 20 years. The engineer said the boiler would have to be replaced, which they did at their own cost.

Around a month later a different British Gas engineer attended their home for a separate issue. Mr and Mrs T say they mentioned the boiler replacement and this engineer said the part that was needed to repair the old boiler was still available. He recommended they complain to British Gas.

Mr and Mrs T complained; they said had it not been for the poor advice, they wouldn't have needed to replace the boiler. British Gas didn't respond to Mr and Mrs T's complaint in time, so they brought it to our service.

Our investigator didn't think British Gas had acted unfairly. She said it had previously told Mr and Mrs T that their boiler was no longer made, but it would continue to keep it going for as long as possible. She didn't think the comments of the second engineer were enough to say the first one should have carried out a repair. She noted the boiler was over 20 years old and so thought British Gas had acted in line with its policy terms by not offering a contribution towards the replacement.

Mr and Mrs T didn't agree. They said the age of the boiler was irrelevant. They said the first engineer told them a valve couldn't be sourced, but the second engineer showed them this was readily available.

As Mr and Mrs T didn't agree, the matter has come to me to decide.

I've already told British Gas that I think it's acted unfairly. I've said that it's not clear which part of the boiler needed replacing, and British Gas hasn't been able to evidence that the part couldn't be sourced. Mr and Mrs T's testimony is that they were told a valve needed replacing. The job sheet they were provided by the first engineer doesn't have any detail on what part can't be replaced, and the only thing British Gas can see from its system is a note saying 'multiple component failure'.

I've said I was minded to find Mr and Mrs T's testimony persuasive about what they were told by the engineers, and in the absence of evidence from British Gas, I was minded to say it should compensate Mr and Mrs T for replacing their boiler before they needed to. I said I thought it should pay the cost of the replacement part - £156, as well as £200 compensation for the unnecessary distress and inconvenience caused with them having to replace their boiler sooner than was necessary.

British Gas didn't accept. It said the engineer would have only noted there was multiple component failure if more than one part couldn't be replaced, so it didn't agree to compensate Mr and Mrs T.

Mr and Mrs T agreed with my proposed outcome. But noted that British Gas' other customers may also receive the same treatment from British Gas and not be in a position to take things forward.

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.

British Gas hasn't been able to provide any evidence which shows which part of the boiler wasn't working and that it couldn't be replaced.

Mr and Mrs T have given a consistent and persuasive account of what happened. They say the first engineer's visit was very quick; he told them a valve wasn't working and couldn't be replaced but didn't seem to use anything to check this. They say the second engineer told them he could check whether parts were available on a tablet. When they told him what the first engineer had said, the second engineer showed them that part was available. This engineer then recommended Mr and Mrs T complain to British Gas about what they'd been told as he felt their boiler could have been replaced. This engineer filled in a customer form to reflect this.

Whilst British Gas says its system has recorded 'multiple component failure', this isn't supported by the customer form the first engineer provided to Mr and Mrs T at the first visit. This document has a section for engineer's comments. This is blank. There is a check box that says 'all functional parts available' and 'no' has been ticked. But there isn't anything on this form which confirms what the issue was, and what couldn't be replaced. And British Gas can't say what component's they were. So on balance I'm more persuaded by what Mr and Mrs T have told us. They have carried out their own research on the part they were told needed replacing – I'm satisfied on balance that this is what they were told by the engineer. And British Gas' comments haven't made me change my mind on this.

I'm satisfied based on what I've seen that it's more likely the boiler could have been repaired. So British Gas' failure to do so has meant Mr and Mrs T have replaced their boiler sooner than they would have done.

British Gas has argued that because of the age of the boiler, it shouldn't have to pay anything, as it says it had told Mr and Mrs T the boiler would need replacing at some stage. I accept that is the case. But as British Gas still agreed to insure the boiler knowing the age, it still needed to carry out a lasting and effective repair where it could do so, irrespective of the age of the boiler.

Under Mr and Mrs T's policy, British Gas wouldn't have made a contribution to any boiler replacement, so I'm not going to ask British Gas to refund what it cost Mr and Mrs T to replace the boiler. I say this because I accept the boiler would likely have needed to be replaced at some point in the near future. I say this because it was over twenty years old and many of the parts needed to repair it were becoming obsolete, which Mr and Mrs T were aware of.

But British Gas needs to pay Mr and Mrs T the likely outlay it would have had on the claim, had it carried out the repair it should have. The only evidence I have is from Mr and Mrs T, they say they could buy the valve needed for £154 (once VAT was removed). So British Gas needs to pay this amount to Mr and Mrs T.

When the boiler broke, Mr and Mrs T were left without hot water and so had to replace their boiler quickly. They had to go through the effort of replacing the boiler unnecessarily – including spending money they wouldn't have otherwise needed to in the immediate future. So to put things right British Gas should pay £200 compensation to reflect the unnecessary distress and inconvenience it has caused Mr and Mrs T.

I've noted Mr and Mrs T's point about British Gas' behaviour and how it could impact other customers. I would like to reassure them that the rules from the industry regulator set out that firms have a duty to learn from ombudsman decisions.

I note Mr and Mrs T have had further issues with British Gas relating to their renewal quote. Whilst this doesn't form part of the complaint I have investigated; Mr and Mrs T can raise a further complaint with this service if needed.

My final decision

My final decision is that British Gas Insurance Limited needs to pay Mr and Mrs T a total of £356 to resolve the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T and Mr T to accept or reject my decision before 23 June 2021.

Michelle Henderson
Ombudsman