

The complaint

Mr B is unhappy with the way British Gas Insurance Limited has dealt with a repair to his boiler under his Homecare policy.

What happened

In October 2019, Mr B took out a 'one-off repair' service agreement and a Homecare policy with British Gas for a boiler at one of his properties. An engineer attended the property in November 2019 and fixed a problem with the water pressure switch in the boiler, but then identified a second problem. The engineer said this wasn't covered under either agreement/policy, so provided Mr B a quote for the repair and said the problem was due to the boiler's heat exchanger, which needed replacing.

Mr B complained to British Gas as he says he was told his Homecare policy would cover all issues with the boiler. And that the terms didn't state that this particular issue wasn't covered. He was also unhappy that he then arranged for a different engineer to repair the second problem, but this engineer determined a different cause. Mr B had arranged for his own engineer to source a new heat exchanger in advance of the repair, due to what the British Gas engineer had said. This part was non-refundable, but then not required by his engineer, so Mr B was left with this part.

Mr B wanted British Gas to refund him the full cost of the second repair, including the part, as he considered he was covered for this under his Homecare policy. British Gas didn't agree, but refunded him the cost of the 'one-off repair'.

Mr B brought his complaint to our service, but our investigator didn't uphold it. So he asked for an ombudsman's decision. I issued a provisional decision on 10 March 2021. Neither Mr B nor British Gas provided any further comments in response to it. The complaint has been returned 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.

As neither party provided any further comments, I see no reason to change my findings from my provisional decision. So I have set them out again here.

Should Mr B's boiler repair be covered under his Homecare policy?

Mr B entered into two agreements with British Gas when he took out cover for this boiler. And when the engineer visited the boiler, he was acting in two capacities. The engineer was attending to carry out a 'one-off repair', which is a type of service agreement covered by its own terms and conditions (and not something our service can look into). And also to carry out a 'first service' of Mr B's boiler – under the terms of his Homecare agreement, which our service can look into. The repair cost Mr B £99 as a one-off fee. Where as his Homecare agreement was a contract he entered into for a year at a cost of £306. As the engineer

attended as part of Mr B's Homecare agreement, I'm satisfied our service has the power to look at what happened when the engineer attended as a whole.

Mr B has explained that when he took out the Homecare policy he was told it covered everything. And he's said the problem with his boiler isn't listed as something the policy doesn't cover. However, this is where the interaction between his two agreements with British Gas becomes important.

Under the 'one-off repair' British Gas was only required to fix and deal with the immediate issue with the boiler. At that time, it was identified as a problem with the water pressure, which was fixed with a new part. Once this single issue was fixed, Mr B no longer had any cover under this service agreement. However Mr B believes he had cover under his Homecare agreement. While he had taken out a Homecare policy, his welcome letter for this cover states what will happen at the first service (my emphasis):

*...At your first boiler service we'll come round and **check that we can cover your boiler**, that parts are available and that your boiler is working safely & efficiently. If we can't cover your boiler, we'll cancel your agreement and discuss other options with you. And of course we'll give you a full refund, unless we've already carried out any repairs.*

So while Mr B had technically taken out a Homecare agreement, cover wasn't officially in place until this first service had taken place and British Gas had confirmed it could cover the boiler. And as the repair identified a further fault, British Gas wasn't willing to do this until this second issue had also been fixed. Insurance is designed to cover unexpected events – so I can't say British Gas was wrong to decline to cover Mr B's boiler under the Homecare policy, considering it was already experiencing a fault.

Based on the above, I'm satisfied that Mr B didn't have cover in place for the second issue identified with his boiler. So this isn't something British Gas needs to cover under his Homecare agreement, as his agreement was cancelled due to this issue. I can also see that British Gas refunded him any money paid towards this agreement, so I don't consider it needs to do anything further.

Should British Gas cover the cost of the repair due to poor advice by its engineer?

I appreciate that Mr B arranged for his own repair to the boiler, after the British Gas engineer gave him a quote of over £1,000 to fix the second issue. And that as the engineer told Mr B the problem was a faulty heat exchanger, he arranged for the engineer he did use to obtain this part in advance, to save time on the repair. As this part was then not required for the repair – and was non-refundable – I do appreciate Mr B's frustration.

I accept Mr B wouldn't have purchased the part had it not been for the British Gas engineer telling him it was the fault. And that his boiler has been repaired without this part, so the engineer was incorrect in his diagnosis. So I do accept, in some way, that British Gas's mistake has led to a loss for Mr B. But at the same time, Mr B arranged for an engineer who hadn't seen his boiler to obtain a non-refundable part for the repair – which does seem an unusual practice.

On one hand I accept that Mr B should be able to trust what the British Gas engineer told him. But on the other hand, I haven't seen any paperwork to suggest the engineer definitely identified the issue and confirmed with Mr B exactly what needed to be done to fix it. After all, he was no longer acting in either of his capacities, as the one-off repair was complete and the boiler not in an acceptable condition to start the Homecare cover. The notes I have available from the meeting are very short – not formal – and suggest the engineer noted the boiler was crashing and banging, so required a new heat exchanger. I can't safely say Mr B should've relied on this diagnosis, to the extent that he did, considering he bought a non-refundable part.

Due to Mr B's complaint, British Gas refunded the £99 fee it charged him for the 'one-off repair', despite the fact that it did complete this repair, which included replacing a part. As this was an entirely separate contract and was fulfilled by the engineer, I don't consider British Gas needed to do this. But, while I don't accept Mr B should've relied on the engineer's advice to the extent he did, his boiler was mis-diagnosed during the visit. So I would've looked to award a small sum of compensation for this mistake. As Mr B has received a refund of the 'one-off repair' fee and benefited from this repair, I consider this is compensation enough for the mis-information by the engineer. So I'm not directing British Gas to do anything else.

My final decision

For the reasons set out above, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 April 2021.

Amy Osborne
Ombudsman