

The complaint

Mr P's unhappy British Gas Services Limited cancelled his homecare policy after advising him they were unable to cover his boiler.

What happened

In April 2019, Mr P contacted British Gas after his tenants reported a timer issue on the boiler in a property he rented out. Mr P opted to sign up for a homecare policy which allowed him to pay a fixed fee of £99 for the immediate fault to be looked at and then provided him ongoing cover for £25 per month.

An engineer for British Gas visited Mr P's property but they couldn't replicate the fault with the timer, so advised Mr P's tenants to contact British Gas again if the fault recurred.

In October 2019, Mr P's tenants told him the boiler kept cutting out, so he contacted British Gas to make a claim under his homecare policy.

British Gas sent out an engineer who identified several faults with the boiler. They said as there was no record a first visit inspection had previously been carried out, the boiler could not be covered.

Mr P disputed this saying the first visit inspection had been conducted when the engineer looked at the original fault in April 2019. Mr P says the advisor he spoke to agreed someone had visited the property in April 2019, so a further engineer visit was arranged, but this engineer reached the same conclusion as the previous one. As the boiler could not be covered, British Gas arranged for a full refund of the premiums Mr P had paid.

Mr P complained to British Gas disputing their engineer's diagnosis. He also provided documentation left by the engineer that had attended the property in April 2019 which he says confirms a first visit had been completed.

In the meantime, being unable to leave his tenants without a boiler, Mr P arranged for an independent engineer to inspect it. The engineer deemed the boiler irreparable and it was replaced at Mr P's expense.

British Gas investigated but said as no first visit had been conducted prior to the boiler being inspected in October 2019, during which multiple issues were identified, his policy had been correctly cancelled and they were unable to provide him cover. They also said the documentation Mr P had provided was not evidence a first visit had been completed in April 2019.

Mr P remained unhappy, so he referred his complaint to our service.

One of our investigators looked into things and felt it was clear a first visit had not been completed in April 2019. And, whilst he felt it was clear that errors had occurred resulting in the first visit not having been booked in sooner, he thought British Gas had done enough to put things right by refunding the premiums Mr P had paid and waiving the initial repair visit fee of £99, which had never been taken in April 2019.

Mr P disagreed saying the first visit is always deemed as the first time British Gas visit the property, which in his case was April 2019. And, if during the first visit no underlying issues are found the boiler is taken under cover. He said one of the engineers that had visited in October 2019 told him had the first visit been completed in April 2019 they would've been able to carry out the repairs.

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.

After reviewing the complaint, I didn't agree with our investigator. So I issued a provisional decision on 17 June 2021. In this I said:

It isn't in dispute a first visit is required before British Gas confirm they are willing to provide cover under their homecare policy. The crux of Mr P's complaint is that he believes when the engineer visited his property a few days after he took out the policy, he believed this to be the first visit and that it was at this point his boiler was accepted on cover.

When Mr P took out the homecare policy, he'd called British Gas to report a specific issue. He took out a repair and cover contract that carried an £99 fee for the initial repair visit and then provided him continuous cover for a £25 monthly premium. I'd have expected British Gas to have arranged for a first service visit to take place at this point.

Mr P received a homecare welcome letter advising if a first service had not already been booked, he should contact British Gas to book one in. Furthermore, it said it was during this service the engineer would check British Gas could cover the boiler. But Mr P says he thought this had already been booked and the engineer was scheduled to visit only days later.

But British Gas hadn't booked the service in, and instead had arranged for an engineer to visit regarding only the specific fault Mr P had raised. It's important to say British Gas are the experts here, and I wouldn't expect Mr P to necessarily understand what work an engineer carried out or should've carried out when visiting his property.

When the engineer visited the property, he left a checklist. The checklist confirmed at the time:

- *the appliance operation was safe,*
- *the appliance flue and ventilation was safe, and*
- *the functional parts were all available.*

I understand the checklist also had a section for an annual service which was crossed through as not applicable. British Gas say this checklist was only used for an annual service or repair visit. British Gas has also provided a copy of a more detailed first visit checklist.

Again, it's not in dispute that a first service wasn't completed but I can't reasonably say Mr P should've known that, from the documentation he was provided. He certainly couldn't have been expected to know there was a separate checklist for completion on a first visit.

The terms and conditions of the home care policy say "If your product includes a first service it is usually carried out in the first 42 days of you taking out the product or changing address."

But it wasn't. British Gas set up Mr P's policy and continued to take premiums. British Gas have acknowledged due to corruption with the engineer's job report in April 2019 it was never recognised on their system. This caused some confusion when booking the engineer visits in October 2019, but more importantly it meant the reminder Mr P should've got to book his first service did not happen. Had it done, I'm satisfied this would've alerted Mr P he wasn't on cover much sooner and allowed him to have acted.

Had Mr P reasonably been made aware he needed to act sooner I'm persuaded his boiler would've more likely than not have been accepted on cover.

I understand British Gas say the independent engineer ultimately having to replace Mr P's boiler, supports their position it wasn't suitable for contract. But this was in October 2019 and I've seen no evidence to suggest his boiler wasn't suitable for cover six months prior.

When reporting the fault in April 2019, Mr P only raised an issue regarding the timer. When the engineer visited at that time, he made no reference to any issues with the boiler, and even the timer fault Mr P had reported could not be found. Mr P also raised no further issues with the boiler over the following months which I'd have expected to have seen had the boiler already been carrying multiple issues.

British Gas sent Mr P a cancellation letter in October 2019 stating as a result of not being able to get the parts they needed for his type of boiler, they couldn't continue to service or repair it. Had the boiler already been placed on cover at this point the homecare policy would've provided a replacement in these circumstances, providing the boiler was less than seven years old.

Mr P has already confirmed his boiler was only two and a half years old at the time.

And as I've already explained above, I'm persuaded his boiler would've more likely than not have been accepted on cover had the first service been completed sooner, as it should have been.

So, it follows I intend to say British Gas should reimburse what it cost Mr P to replace his boiler (£1,650). British Gas should deduct the premiums it originally refunded Mr P (£282) from this amount which he'd have paid had he remained on cover.

British Gas should also pay 8% simple interest on £1,368 from the date Mr P paid the invoice until the date of settlement. If British Gas deducts tax from the interest e of this award, it should provide Mr P with the appropriate tax deduction certificate.

British Gas also acknowledged Mr P was never charged the initial £99 repair visit fee in April 2019 but agreed to waive this to reflect any distress and inconvenience caused by their system errors regarding the job record for that visit. I think this is fair and reasonable in the circumstances of this complaint.

Both parties accepted my provisional decision. So the case has been passed back to me for a final decision.

As both parties accepted my provisional decision, my final decision remains the same.

Putting things right

I require British Gas Services Limited to do the following:

1. Pay Mr P £1,368. (The cost incurred by Mr P to replace his boiler minus the premiums he would've paid had he been on cover).
2. Pay 8% simple interest on £1,368, calculated from the date he paid the invoice until the date of settlement.

My final decision

I am upholding Mr P's complaint. British Gas Services Limited must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 20 July 2021.

Sean Pyke-Milne
Ombudsman