

The complaint

Mrs J complains British Gas Insurance Limited (“British Gas”) failed to carry out her annual boiler service under her HomeCare insurance policy and her boiler broke down as a result.

What happened

In November 2019, Mrs J’s Homecare insurance policy renewed for 12 months. It covered the cost of an annual boiler service and repairs to the boiler and its controls.

British Gas has given us a copy of Mrs J’s service and breakdown history which shows her boiler was serviced in March 2019. It’s said she was due her next service around March 2020 – as they’re usually about 12 months apart. But around that time, it’s said government restrictions in response to the Coronavirus pandemic meant no boiler services could be carried out – as they were seen as non-essential. So it didn’t go ahead. In any event, British Gas has pointed out that the terms of the policy say the time between services might be longer than 12 months.

Around October 2020, a reminder was sent to Mrs J to book a service which she did the following day for December 2020. Unfortunately her boiler stopped working shortly before the service was due to take place. On 9 and 12 December 2020, the breakdown history shows a British Gas engineer serviced and repaired Mrs J’s boiler. She was charged £99 to cover the excess for the repair.

Mrs J complained as she thought if a service had taken place, her boiler wouldn’t have broken down. She’s also said the cost of the annual premium is too high and to put things right, British Gas should refund the year’s premium. British Gas didn’t agree. It said the reason the boiler broke down wouldn’t have been identified in a service. And in any event, even if it had been, Mrs J would be in the same situation as the boiler would’ve been repaired and she would’ve had to pay the excess. But it did offer to refund the price of the missed service – which it estimated to be around £65.

As the complaint wasn’t resolved at that stage, Mrs J asked our service to look into things. Our investigator didn’t uphold the complaint. She thought the amount British Gas offered to refund was a fair reflection of the cost of the service. And she didn’t think there was enough evidence to support Mrs J’s view that the time between the two services caused the boiler to breakdown. She also didn’t think it would be fair to ask British Gas to refund the full premium as Mrs J could’ve still benefitted from the policy. As Mrs J didn’t accept our investigator’s view, the complaint’s been passed to me to decide.

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.

I understand Mrs J must've had a very difficult time recently – she's explained her husband has sadly passed away. I am very sorry for her loss and I thank her for taking the time to give us the information she has to support her complaint. But I've decided not to uphold this complaint, I know Mrs J will be very disappointed. I'll explain why.

I've looked carefully at the policy terms. These say an annual service may take place more or less than 12 months after the previous service. In the circumstances of this case, British Gas has said Mrs J's annual service would normally have taken place some time around March 2020. But because of the government restrictions put in place due to the pandemic, it couldn't carry out this type of service. And I don't think that's unreasonable.

Mrs J thinks if the annual service had taken place, she wouldn't have had to pay for the boiler to be repaired. But I don't agree. British Gas has said the service is designed to clean the boiler and test the gas emissions. And it's said the repair that was needed in December 2020 wouldn't have been prevented by these tests. I note Mrs J hasn't given us anything to show otherwise.

I appreciate Mrs J might think if the service had taken place, the problem with the boiler might have been picked up sooner. But I can see if the engineer found the problem during the service, the policy terms say British Gas would've repaired it for a fee or the cost of the excess. So even if the service had taken place and the problem identified sooner, I think Mrs J would've always had to pay the excess she paid in December 2020 to get it repaired. So I'm not persuaded she'd be in any different a situation than she's in now.

Mrs J doesn't think the refund British Gas has given her to make up for the missed service is enough. She's said it would be fairer to refund the full year's premium as she thinks it was too expensive. But the full premium covered her for both the service and breakdowns. And whilst – fortunately – her boiler didn't breakdown in the policy year 2019 to 2020, she had the cover available to use should she have needed to. And I can see in other policy years, she has made claims – and so would've likely used it that year if there were any problems. The purpose of insurance is to cover the policyholder in case something goes wrong. So just because in hindsight, Mrs J now knows she didn't need to use the part of the policy that covered her for repairs, it doesn't mean she's not benefitted from having insurance.

British Gas has said it estimates the cost of the service would've been around £65. And under the cancellation charges within the policy terms, I can see customers are required to pay £65 if the policy is cancelled after a service is completed – to cover its cost. So I think the refund British Gas has given Mrs J is reasonable. And overall, based on everything I've seen, I don't think British Gas needs to do anything more in this case.

My final decision

For the reasons I've given, I don't uphold Mrs J's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 25 August 2021.

Nadya Neve
Ombudsman