

The complaint

Ms H complains that, for six years, British Gas Insurance Limited carried out sub-standard annual services on her boiler under her home care insurance policy, which eventually resulted in her boiler being condemned.

What happened

Ms H first took out a home care policy with British Gas in 2013 on a tenanted property she owned. The policy covered the boiler, controls and central heating on a service and repair basis. It included an annual service.

After the first service, Ms H got a letter from British Gas enclosing a copy of her landlord's gas safety record. The letter said everything was fine and there was nothing she needed to do. On the gas safety record itself, in a section about any defects found during the service, British Gas' engineer noted there was corrosion inside the boiler case from a previous water leak. In the section of the record about remedial action, he said this should be monitored on inspections.

In 2014, after the annual service, Ms H got another letter from British Gas enclosing her landlord's gas safety record. The letter said everything was fine and there was nothing she needed to do. On the gas safety record, there were no notes by British Gas in the section about any defects found during the service.

In 2015, Ms H got much the same letter as in previous years saying everything was fine and there was nothing she needed to do. The landlord's gas safety record did, however, have some notes. The engineer highlighted "*very serious corosion [sic] to case and gas*". And in the section about remedial action taken, he said "*Have cleanad [sic] and protect [sic]*."

Around a week after the 2015 gas safety record was sent to Ms H, she got another letter from British Gas saying it wanted to do some work at the property. It asked her to call to make an appointment. Ms H says she contacted British Gas but nothing happened. British Gas has very recently told us the work was declined.

In 2016, 2017 and 2018 British Gas sent Ms H her landlord's gas safety records with a covering letter saying everything was fine and there was nothing she needed to do. And the gas safety records for these years didn't note any defects found in the services that had been carried out.

But when the next service was carried out at the end of October 2019, British Gas' engineer noted in the landlord's gas safety record there was a rusted gas pipe inside the boiler. He said the boiler was at risk. In the remedial action section of the record, he said he turned the boiler off.

In early November 2019, two engineers visited Ms H's property on separate occasions. A customer checklist Ms H was given for the second visit notes "*boiler chassis too corroded to fit parts*". It also refers to a quote to be given to Ms H for a new boiler. And another checklist Ms H was given for a visit from another engineer at the end of November says "*corrosion*

needs replacing”.

Ms H complained to British Gas saying over a six year period it hadn't maintained her boiler correctly and should've repaired the fault before it became irreparable. British Gas didn't uphold Ms H's complaint. It said its engineers had completed all necessary checks during their visits and followed the appropriate process. So Ms H brought her complaint to us.

The investigator who looked at Ms H's complaint didn't uphold it. He noted Ms H's policy said pre-existing faults weren't covered. He also noted that, if Ms H had been advised of a potential problem and hadn't got it fixed, this also wouldn't be covered. As corrosion was present when Ms H took the policy out, his view was that this wasn't covered. So he thought British Gas had acted fairly and reasonably and in line with the policy terms in servicing Ms H's boiler.

In my provisional decision of 1 June 2021, I explained that I didn't intend to uphold Ms H's complaint. I said British Gas had recently given us some new information about the complaint that we hadn't commented on yet. And I said some of my reasons for not upholding it differed from our investigator's. Because Ms H and British Gas needed to have the chance to comment on all of this, I issued a provisional, rather than a final, decision.

Ms H has given me her comments on my decision and doesn't agree with much of what I said in it. British Gas hasn't responded to it. So Ms H's complaint has now come 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, and for the reasons given in my provisional decision, I've decided not to uphold Ms H's complaint. In my provisional decision, I said:

“I should say, though, that this is a difficult case to decide. In part this is because some of what I think are key facts aren't, as yet, clear to me. I'll explain my reasoning so far.

My starting point is the terms and conditions of Ms H's policy. I think the relevant terms here are:

- *Ms H's boiler isn't covered for any faults that existed when her policy was first taken out with British Gas.*
- *Ms H's boiler isn't covered for faults British Gas told her about before that she hasn't fixed.*
- *Ms H's policy says a repair is one that fixes her boiler following an individual fault or breakdown. It doesn't cover repairs that are purely cosmetic (the examples the policy gives are mould, dents or scratches) that don't stop the main function of Ms H's boiler from working or make it unsafe.*
- *An annual service is a check done by British Gas to ensure Ms H's gas boiler is working safely and in line with the relevant laws and regulations.*
- *As part of the annual service, British Gas's engineer will fill in a checklist telling Ms H exactly what's been looked at. And if British Gas finds a problem that needs to be fixed, it will tell Ms H about it.*

British Gas says its records are clear that when it inspected the boiler in 2013, corrosion was noted and “advised accordingly”. It says while the pre-existing corrosion was present as a result of a previous water leak, the boiler was safe at that point to take onto contract.

British Gas says its records have since noted on several occasions that the corrosion would need to be addressed and a new boiler would be required – but that the boiler was still working and safe to use. It says it has been “very clear” with Ms H since the start of the policy and the fact that “no action has been taken on the advice we have given regarding the corrosion, has now resulted in the current situation”. British Gas says its position is supported by its policy terms and conditions.

Ms H says British Gas failed to fix a fault with her boiler that was identified on the first inspection. She says later inspections were below any acceptable standard, putting the safety of her tenants at risk. Ms H says she trusted British Gas to service her boiler and carry out any repairs necessary or bring them to her attention. She says this didn't happen. She holds British Gas responsible for her boiler being condemned.

I think Ms H or British Gas are both clear and don't dispute that the corrosion to the boiler casing found in 2013 was pre-existing. It seems it was probably caused by the water leak Ms H had had repaired before the boiler came on cover with British Gas.

In 2015 things are less clear. And this, to me, is a crucial point in the timeline of Ms H's complaint. It's then that British Gas notes for the first time – in its internal records and in Ms H's gas safety record – serious corrosion to the gas supply pipe. And it's shortly after this that British Gas writes to Ms H asking her to make an appointment to get some “work” done. When I first looked at Ms H's case file, I didn't know – and I still don't – what this “work” was for. Given the timing, though, it's probably a reasonable assumption it was to do with the corrosion to the gas pipe. I also didn't know how British Gas had viewed the corrosion found in 2015. Did it think it was linked to the 2013 corrosion (which would be excluded from cover as a pre-existing fault)? Or was it a new fault (which would in all probability be covered under the policy)? Crucially, also, I didn't know why the “work” didn't go ahead.

So we asked both Ms H and British Gas for some more information on these things.

Not surprisingly after so long, Ms H can't remember much. She says she either called British Gas on 3 December 2015 or that's when the appointment was scheduled for. But she also says it's possible British Gas contacted her tenants directly. She says she has no record of what the work was for and can't access her 2015 diary to see if an appointment was made. She says she doesn't know why the work didn't go ahead. But she says it's very unlikely or impossible she would've declined any work recommended by British Gas and covered by her policy.

Like Ms H, British Gas can't say with any certainty what the “work” was for. But it does say: “...I can see from our file a quote was provided for ‘upgrade’ work to the system which was later declined. I can only assume this was in relation to this however I don't have any specifics due to the time which has passed.”

British Gas says the work was “declined”. This is something Ms H says she wouldn't have done. If British Gas has information to back up its statement that the work was declined, I'd be grateful if it could be sent to me as soon as possible.

In relation to whether the 2013 and 2015 corrosion were linked to the same event, a British Gas field manager has given comments based on a review of Ms H's service history and her claim, as follows:

“It is my opinion the likelihood of it [the 2015 corrosion] being linked to the earlier corrosion is very high. Corrosion does not happen immediately and continues long after the initial root cause of the leak has been removed. There probably is some evidence somewhere that

shows different metals corrode at different rates and become apparent at different times but would still be attributed to the same leak event. I also would base this opinion on that there was not any subsequent reports by the customer of any leaks following our initial identification of the corrosion almost 2 years earlier.”

And in response to a question we asked British Gas about what action it told Ms H to take relating to the 2015 corrosion, it says:

“We believe it is our responsibility to make the customer aware of the condition of their boiler to allow them to make an informed decision on what action to take. We do not believe it is our responsibility to influence this decision as it is not work that would be covered under the terms of their policy.”

As I’ve already said, I think I can fairly and reasonably assume the work recommended by British Gas in 2015 was connected to the boiler corrosion – but Ms H or British Gas should let me know if they have information to the contrary. On this assumption, and bearing in mind I still don’t know why the work British Gas recommended in 2015 didn’t go ahead, I’ve reached some provisional conclusions on this complaint.

I think it was fair and reasonable of British Gas to rely on its engineer’s findings that the corrosion to the casing of Ms H’s boiler found in 2013 was caused by a previous water leak. And so I think it was also fair and reasonable of British Gas not to repair that corrosion, because Ms H’s home emergency insurance policy excluded cover for existing faults.

And, even if the 2013 corrosion wasn’t a pre-existing fault, Ms H’s policy only covered her boiler for repairs following an individual fault or breakdown. It didn’t include repairs that were purely cosmetic that didn’t stop the main function of the boiler working or make it unsafe. Ms H says British Gas didn’t make it clear to her that the corrosion was pre-existing or that she needed to do anything about it. From the paperwork I’ve seen so far, although corrosion was noted, I agree. But I don’t think that, in 2013, Ms H would’ve done anything differently – like getting the casing replaced (if she could) or otherwise getting the corrosion repaired – if she had been told clearly by British Gas it wasn’t covered. That’s because Ms H herself describes the corrosion at the time as minimal. And British Gas says it didn’t affect the working or safety of the boiler. (As an aside, I also think it’s likely this is why British Gas told Ms H there was nothing she needed to do when it sent her the gas safety record.) So I’m satisfied any failing by British Gas in 2013 didn’t prejudice Ms H’s position.

The evidence I have that the 2013 and 2015 corrosion are linked to Ms H’s previous water leak isn’t as strong as it could be. British Gas has been clear its field manager has only been able to view its records of Ms H’s service history along with the details of her claim. He or she can’t, for instance, examine the boiler itself. But a British Gas field manager is likely to have some expertise in giving a view on a matter such as this. Of course, that view isn’t an independent one – he or she works for British Gas. But as things stand at the moment, it’s the only expert view I have. And, on balance – and this is finely balanced – I’m persuaded by the field manager’s view of the “very high” likelihood the corrosion to the gas pipe found in 2015 was caused by the same water leak that caused corrosion to the casing found in 2013.

So, based on what I’ve seen so far, I think it was fair and reasonable of British Gas to treat the corrosion to the gas pipe it found in 2015 as a pre-existing fault, which Ms H’s policy didn’t cover her for. This means Ms H would’ve had to pay herself for any work that needed to be done to repair it.

And, even if I’m wrong in saying this, I should also say I don’t have any information to show that, if British Gas had dealt with the pipe corrosion in 2015, Ms H’s boiler would’ve lasted longer than it did.

As I've said before, I don't know why the work British Gas recommended in 2015 didn't take place. But what I do know is I don't have any information, so far, to show me this was a failing on British Gas' part. (I should also say the only evidence I have at the moment that there was potentially a failing on Ms H's part is British Gas' as yet unsupported statement that the work was declined.)

With no evidence that British Gas did anything wrong in how it dealt with the 2015 corrosion, I don't think – based on what I've seen so far – I can fairly and reasonably say it needs to do anything to put things right for Ms H.

My findings so far are based on the limited information I have about events in 2015. I'm conscious that, in focussing on this period – as I think I must – I haven't said anything about what happened subsequently. As things stand, I don't know why, for the following three years, British Gas didn't say anything about corrosion in its internal records or Ms H's gas safety records. But since I can't say British Gas was at fault for the work in 2015 not going ahead, I don't think, based on the evidence I have, that I've reason to conclude British Gas was at fault for subsequent events relating to the boiler."

Ms H has marked my provisional decision with extensive comments and many questions. Her main point is she thinks it's quite clearly evident British Gas didn't deal with the 2015 corrosion and should've dealt with it in the following years to prevent the breakdown of the boiler.

As I said in my provisional decision, I think events following the boiler service in 2015 are crucial to Ms H's complaint. If the corrosion had been dealt with then, I think it's unlikely Ms H would've had the problems she had later.

The only documentary evidence I have following the boiler service in 2015 is the letter Ms H got from British Gas on 28 November 2015 saying it needed to do some work and asking Ms H to let it know when was convenient.

That work (which, as I've said in my provisional decision, I think it's reasonable to assume was connected to the corrosion) never went ahead. I don't know why that is. Ms H says she phoned British Gas in early December, which she says was very likely to make an appointment to get the work done. British Gas says Ms H declined the work. Neither Ms H nor British Gas has given me any other information to back up what they say.

To uphold Ms H's complaint, I'd need to think – from the facts and information I have – that it was more likely than not British Gas did something wrong and was at fault for the work not going ahead. For the reasons I've given here and in my provisional decision (which now forms part of this final decision), I don't have enough information about what did or didn't happen for me to think that would be a fair and reasonable conclusion. From what I've seen, the fault for the work not going ahead *could* lie with British Gas. But it could equally lie with Ms H.

I understand Ms H's frustration with this complaint. She's spent a lot of time on it and, despite her efforts, still has many unanswered questions. I'm sorry I haven't been able to answer Ms H's questions – but I can only decide a complaint based on the information I'm given about it and what I think is a fair and reasonable outcome.

And as I said in my provisional decision, since I can't say British Gas was at fault for the work not going ahead in 2015, I can't say British Gas was at fault for subsequent problems with the boiler. That's because, if the boiler had been fixed in 2015, I don't think it's likely Ms H would've had those problems.

My final decision

For the reasons I've given, I don't uphold Ms H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 12 August 2021.

Jane Gallacher
Ombudsman