

## The complaint

Mr C complains British Gas Insurance Limited didn't properly investigate and repair an intermittent hot water problem under his home emergency insurance policy, and that it gave him poor customer service in its handling of his complaint about that.

## What happened

Mr C had a HomeCare policy with British Gas, which he renewed each year. The policy provided cover for his boiler, controls and central heating on a service and repair basis. The boiler was located in an annexe of Mr C's home, which he rented out to a tenant.

Mr C says that from 2014 the annexe had an ongoing intermittent problem with the hot water supply. He says this caused him inconvenience, as well as causing his tenant a great deal of distress and inconvenience. Mr C says he told British Gas engineers about this hot water problem at the annual services in 2014 and 2018 as well as various other times, but they took no notice and blamed scale in the water pipes. Mr C says he replaced the boiler in October 2018 and the hot water problem immediately stopped, so he thought it must have been caused by the old boiler and British Gas hadn't properly investigated or fixed it.

Mr C complained to British Gas about this, but it didn't uphold his complaint. It said its engineer attended a breakdown appointment in February 2018 and noted the issue wasn't boiler related and recommended the pipes be looked at by another business - but that wasn't something covered by Mr C's policy because pipes to the shower would fall under plumbing and drains cover, which Mr C didn't have. And it said an annual service in July 2018 noted the boiler, radiators and hot water were all working well and that there were no further breakdowns reported before Mr C cancelled the policy later that year.

Unhappy with this, Mr C contacted our service. He told us British Gas hadn't properly investigated or fixed his boiler related hot water problems between 2014 and 2018. And that it hadn't handled his complaint well because it didn't provide a proper complaints procedure, didn't escalate the complaint to a senior manager as Mr C asked, didn't carry out an inspection as Mr C asked, didn't try to call Mr C as it said it had, incorrectly sent correspondence to the annexe instead of his own address, and took twelve weeks to respond to his complaint. Mr C wanted British Gas to put things right by acknowledging its poor service and complaint handling, refunding the policy premiums he'd paid, and paying compensation for the distress and inconvenience it caused.

Our investigator didn't uphold Mr C's complaint. She thought British Gas' 'call out' record showed it completed an annual service each year and attended and repaired the issues Mr C reported that were covered under the policy. And that while British Gas could have handled Mr C's complaint better, that hadn't affected or delayed his complaint. She thought British Gas had likely been addressing Mr C's correspondence to Mr C's annexe instead of his home address since the policy started, but hadn't seen that Mr C had asked British Gas to change this or that it had caused him any detriment.

Mr C thought our investigator hadn't looked into his complaint properly. He reiterated his complaint points and provided comments from his own plumbing and heating engineer. He

also said that when he was talking to British Gas in 2018 about getting a quote for a new boiler, there was what he considered to be a 'scam' by its engineers which he saw to be evidence of concealment and poor practice by British Gas.

As Mr C disagreed with our investigator, his complaint came to me for consideration. I asked British Gas for its thoughts on Mr C's testimony, the comments from his engineer, and an entry on its 'call out' record in February 2018 noting the shower wasn't mixing properly with only cold water coming through, and advising it should be looked at by another business. I also asked Mr C for more information and evidence about the replacement of his boiler.

Having received this information from Mr C and British Gas, I issued my provisional decision on 29 June 2021 in which I said:

*'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, I'm intending to uphold Mr C's complaint in part and I'll explain why. But before I do, I'd like to be clear that my decision won't address every point or comment made by either Mr C or British Gas. I mean no discourtesy by this, and I'd like to reassure both parties that I have considered all the comments and evidence they've provided to our service. But my decision will only address what I see to be relevant in reaching a fair and reasonable outcome to this complaint.*

*boiler sales 'scam'*

*I think it's helpful to firstly address what Mr C sees to be a scam on the part of British Gas engineers. Mr C says he's previously complained to British Gas about this and says it's evidence of concealment and poor practice. Other than Mr C's testimony, I've not been provided with evidence that Mr C has raised this particular matter with British Gas in either this or a previous complaint. In any case, I don't think this is something I can consider further.*

*I say that because our service doesn't have a free hand to look into every complaint brought to us. Instead we must follow the Dispute Resolution: Complaints rules set out by the Financial Conduct Authority ('FCA') in its handbook. These are known as the 'DISP' rules and they set out, amongst other things, what types of complaints our service can look into and under what circumstances. DISP rule 2.3 sets out the kind of activities we can consider complaints about. Providing a quote for a new boiler isn't one of the regulated activities listed in DISP 2.3. So I think the DISP rules mean I can't consider what might have happened when Mr C was talking to British Gas about getting a quote for a new boiler.*

*not properly investigating or fixing the old boiler*

*The evidence is somewhat limited here because British Gas has confirmed it now only keeps contact notes for twelve months, so it no longer has records of calls for the period in question. But I've considered the evidence I do have.*

*I have Mr C's testimony that he raised hot water problems with British Gas but was always told it was scale problems which weren't covered by his policy. To support this, Mr C has provided a British Gas visit sheet from July 2014, on which he made a handwritten note at the time saying 'scheme doesn't cover scale problems'. I also have the opinion of Mr C's own heating and plumbing engineer from January 2021 that says 'I have checked the hot water and there doesn't seem to any [sic] indication the pipe work is scaled up as the boiler is running smoothly and consistently with a good flow rate.'*

*Weighed against that, I have British Gas' 'call out' record which sets out when its engineers attended between 2014 and the policy ending in 2018. The record includes visit dates and a brief note of the visit. I also have British Gas' comments that it's impossible to be sure what the 2014 handwritten note was referring to – that it could, for example, refer to what was covered under the policy, what the main exclusions were or what was a common problem with Mr C's type of system. And that the call out note in February 2018 wasn't to do with scaling but because there was a fault with Mr C's shower which wasn't covered under the policy and a plumber would be required.*

*Mr C has given consistent testimony that he raised the intermittent hot water problem at visits in 2014 and 2018 as well as other times, but British Gas took no notice. And British Gas says it no longer has call records for the period in question. So I think this is why there is very little documentary evidence of Mr C raising hot water problems with British Gas. And while I acknowledge British Gas says its engineers always left Mr C's boiler in working order, Mr C's has consistently said the hot water problem was intermittent. So it didn't happen all the time and I don't think that's inconsistent with what British Gas says. But I'm persuaded by Mr C's 2014 handwritten note and his consistent testimony. Taking all this into consideration, I think that on the balance of probabilities it's more likely than not that Mr C tried to raise this problem with British Gas but was told it was because of scaling in the pipes which wasn't covered by his policy.*

*The opinion of Mr C's own engineer is that there's no indication the pipes are scaled, and British Gas says it has nothing with which to dispute this. Mr C has provided evidence this boiler was replaced in October 2018 and has consistently said the hot water problems stopped after this. If the problem was due to scaling as I think it's likely British Gas told Mr C, then I'd expect there to still be evidence of scaling or for Mr C's new boiler to have problems. But Mr C's own engineer says there's no evidence of scaling and the new boiler is working well. Based on this, I think it's more likely than not that the hot water problems were to do with the old boiler, and not scaling which wouldn't be covered under the policy. And I've not seen that British Gas took steps to investigate this as it should have under the policy.*

*Taking everything into account, I think British Gas didn't investigate Mr C's hot water problem as it should have under his home emergency insurance policy. So I need to think about what would be a fair and reasonable way to put things right.*

*I know Mr C wants British Gas to refund the premiums he's paid. But I don't think that would be fair. I say that because Mr C had the benefit of the protection provided by the policy and he made use of this over the years with British Gas carrying out various other repairs.*

*Instead, I think British Gas should compensate Mr C for the unnecessary distress and inconvenience it caused him by not investigating this hot water problem as I think it should have. Mr C says his tenant has also been caused a great deal of inconvenience and distress, as they were affected by the hot water problem and were vulnerable with significant health issues. I'm very sorry to hear this. But I should be clear here that Mr C's tenant isn't a policy holder and so isn't eligible to complain about the policy under the DISP rules. Since Mr C's tenant is not an eligible complainant, I can't consider any distress or inconvenience they were caused.*

*But I can consider unnecessary distress and inconvenience Mr C was caused by British Gas. And I'm satisfied he was. Mr C says he realised British Gas was wrong about scaling being the cause of the hot water problem when he replaced the boiler in October 2018, and I can see he complained to British Gas around that time. I think Mr C would have been frustrated and disappointed to realise British Gas hadn't investigated the hot water problem*

*as it should have. And this has continued over an extended period of time, since he realised in October 2018. I think compensation of £350 is a fair reflection of his extended distress.*

#### *complaint handling*

*Mr C has complained about British Gas' handling of his complaint. He says it didn't provide a proper complaints procedure, didn't escalate the complaint to a senior manager as Mr C asked, didn't accept Mr C's invitations to carry out an inspection, didn't try to call Mr C as it said it had, and took twelve weeks to respond to his complaint. Mr C also says British Gas wrote to the wrong address during this time by writing to the annexe instead of his own address.*

*But complaint handling isn't an activity listed in DISP 2.3. And I think most of the particular points Mr C has raised about British Gas' handling of his complaint aren't sufficiently linked to it carrying out an underlying regulated activity. So I think the DISP rules mean I can't consider how British Gas handled Mr C's complaint.*

*The only one of these points I think I can consider is British Gas writing to the annexe instead of Mr C's address. I say that because British Gas has provided policy correspondence going back to 2015, and it's all addressed to the annexe. So I think Mr C's policy was likely set up this way and therefore this point is sufficiently linked to the underlying regulated activity. Having said that, I'm not intending to make an award of compensation for this. That's because even if I accepted British Gas made an error regarding Mr C's correspondence address, I've not seen that this affected Mr C's ability to make use of the policy, or that it caused him any financial loss or significant distress or inconvenience. And I've not seen anything to suggest Mr C asked British Gas to correct the address.'*

Mr C accepted my provisional decision and had no further comments, though he said this was assuming British Gas also accepted the provisional decision. Mr C also asked for it to be noted that the 'scam' he'd mentioned wasn't part of his complaint to our service and had been addressed by British Gas at the time – he'd only mentioned it here as background.

British Gas didn't provide any response to my provisional decision.

I'm now in a position to make my 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.

Mr C accepted my provisional decision. While I acknowledge what Mr C says about mentioning the 'scam' as background information, I don't think that changes the conclusions I reached in my provisional decision.

British Gas didn't respond to my provisional decision or provide any further evidence or comments for me to consider.

Taking all this into account, I see no reason to depart from the conclusions I reached in my provisional decision.

#### **Putting things right**

British Gas should pay Mr C £350 compensation for the unnecessary distress it caused him.

**My final decision**

For the reasons set out above and in my provisional decision, British Gas Insurance Limited should pay Mr C £350 compensation for the unnecessary distress it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 September 2021.

Ailsa Wiltshire  
**Ombudsman**