

## **The complaint**

Mr and Mrs Q complain about the delays and poor handling of their boiler service under their 'Central Heating Care' policy provided by British Gas Services (BG).

## **What happened**

Mr and Mrs Q had a boiler installed in 2015 by BG which came with a five-year warranty and alongside this they took out a Central Heating Care policy. Mr and Mrs Q said they had intermittent problems with the hot water, and they were unhappy with the installation.

BG sent an engineer who found that the central heating system required a power flush. BG said the tray part at the bottom of the boiler hadn't been fitted correctly and a temporary tray had been fitted which was insecure. BG said the power flush and new filter that were required weren't covered under the policy and would have to be paid for.

Mr and Mrs Q said when the boiler was installed it wasn't power flushed and the wrong tray was fitted, and they've waited four years for this to be corrected. They complained that BG caused them to take six mornings off for engineers, when this should only have taken two mornings. They said they were left without consistent hot water for six weeks and had to spend a lot of time on phone calls and emails to sort the problems out.

BG apologised for providing Mr and Mrs Q with poor service, saying visits were cancelled due to sick leave and emergencies and another visit failed as it hadn't told the engineer about the work. BG said it would carry out a power flush free of charge, provide the correct tray and pay Mr and Mrs Q £200 compensation.

Mr and Mrs Q said they agreed the compensation for the catalogue of errors BG caused, but BG didn't keep its end of the agreement as it sent a cheque in the wrong name that couldn't be used. Mr and Mrs Q said they weren't now prepared to accept the compensation because BG had taken up even more of their time. They referred their complaint to our service.

BG said the complaint wasn't within our remit as Mr and Mrs Q's policies didn't include an element of insurance. Our investigator said we couldn't consider the installation of the boiler as this wasn't carried out under an insurance contract. But he thought the remainder of the complaint could be considered as it related to policies with an insurance element.

Our investigator thought that the compensation offered by BG was fair in the circumstances. He said BG had correctly excluded the power flush under the terms of the policy, but Mr and Mrs Q could raise this with the Utilities ADR scheme.

Mr and Mrs Q said installation of their boiler wasn't part of their complaint, it was the hassle of BG's poor service they were unhappy with. They said our investigation process hadn't been thorough and that we always favour the business over the customer. They requested an ombudsman review their complaint.

## **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 that since their complaint all the work to Mr and Mrs Q's boiler has been carried out and the boiler is operating correctly. Mr and Mrs Q remain dissatisfied with BG's poor service and the inconvenience they had been caused.

Before I can look into Mr and Mrs Q's complaint, I've looked at whether Mr and Mrs Q's complaint is one that our service is allowed to consider. I agree with the investigator that I can't consider the installation of the boiler and anything that may have gone wrong then as this was not carried out as part of a regulated financial transaction such as an insurance contract. In any event Mr and Mrs Q have said this isn't part of their complaint.

I am able to consider complaints about regulated businesses carrying out activities that are financially regulated. I can see that BG is a financially regulated business and so I've considered whether the five-year warranty, and the Central Heating Care cover, are regulated activities, like a contract of insurance. And I think they are.

The Perimeter Guidance Rules ("PERG") which can be found in the FCA's handbook, gives helpful guidance on what criteria is needed for a contract to be a contract of insurance. PERG 6.3.4 says:

*"The best established of these descriptions appears in the case of Prudential v. Commissioners of Inland Revenue [1904] 2 KB 658. This case, read with a number of later cases, treats as insurance any enforceable contract under which a provider undertakes:*  
*1. in consideration of one or more payments;*  
*2. to pay money or provide a corresponding benefit (including in some cases services to be paid for by the provider) to a recipient;*  
*3. in response to a defined event the occurrence of which is uncertain (either as to when it will occur or as to whether it will occur at all) and adverse to the interests of the recipient."*

I can see that Mr and Mrs Q pay for their Central Heating Care cover, so I think it's clear there's been "*consideration of one or more payments*". I can also see the policy provides them with repairs to their central heating system. And the terms define:

*"repair(s)/repairing/repaired as:*  
*to fix your boiler, appliance or system following an individual fault or breakdown but not **repairs** that are purely cosmetic (for example mould, dents or scratches) or related to software which doesn't stop the main function of your boiler, appliance or system from working or make it unsafe."*

From looking at the regulated activities that BG carried out or were meant to carry out, I can consider the delays in completing the repairs to Mr and Mrs Q's boiler filter.

From the description of the claim, I can see that Mr and Mrs Q were much inconvenienced and had to pursue appointments with BG by email and phone and be in regular attendance for appointments. I have looked at the record of the appointments arranged to deal with Mr and Mrs Q's boiler. Several of the appointments with BG came to nothing through no fault of Mr and Mrs Q's.

Mr and Mrs Q said they had to take time off work for these appointments. Our service doesn't generally require compensation to be paid for taking time off work in the pursuit of a claim. The exception could be where there's evidence that a contract was lost or a piece of work couldn't be completed and charged for. I haven't seen any evidence of this from Mr and Mrs Q.

I have also reviewed the record of communications between Mr and Mrs Q and BG and can see the efforts Mr and Mrs Q went to by phone and email to secure an engineer's resolution to their boiler problems. During the email exchanges Mr and Mrs Q said they had completely lost patience with BG but would accept the £200 compensation to keep costs down.

Had BG made the cheque out correctly when it offered this amount in compensation to Mr and Mrs Q the complaint would have ended there. And so I think BG should act with much more care in its handling of complaints such as this one to avoid complaints escalating.

I'm pleased that BG hasn't charged Mr and Mrs Q for the power flush. But I can well understand Mr and Mrs Q's frustration at the poor service they received and the impact this had upon the intermittent supply of hot water during this time. However, in the circumstances I think BG's offer of £200 compensation is fair and is consistent with awards we have made in similar situations and so I won't tell them to increase it.

### **My final decision**

For the reasons I have given above it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Q and Mrs Q to accept or reject my decision before 13 December 2021.

Andrew Fraser  
**Ombudsman**