

The complaint

Mr H complains about British Gas Insurance Limited (BG) who declined a claim under his home emergency policy.

What happened

Mr H contacted BG as his boiler had lost heating and hot water. It told him that it couldn't send an engineer for a few weeks partly due to industrial action and the pandemic. So, it advised Mr H to get a third-party engineer to carry out the repair and to send in the invoice for reimbursement.

Mr H instructed a third-party engineer who found several issues with the boiler and advised that it needed to be replaced. Mr H replaced the boiler at a cost of £2800. He sent the invoice to BG to be reimbursed.

BG didn't agree to pay the invoice. It said that replacement of the boiler wasn't covered under the terms and conditions of the policy. That the boiler was over 10 years old and that it had previously advised Mr H to replace the boiler, which he had refused to do.

Mr H complained to BG given the advice it gave to him. In its final response, it said that it was unable to reimburse the cost of the boiler as this wasn't covered under the policy. But it recognised that the advisor could've been clearer in explaining what BG would pay for. For the inconvenience this caused, it offered compensation of £150 as a goodwill gesture.

Unhappy with this outcome, Mr H referred his complaint to our service. One of our investigators considered the complaint and didn't think it should be upheld. His view was that BG had applied the policy terms fairly. He appreciated that Mr H acted on the advice of BG and that BG ought to have made things clearer. But he concluded that the £150 compensation offered was fair in the circumstances. So, there was nothing further he could reasonably ask BG to do.

Mr H didn't agree with our investigator. He said that his boiler was installed in 2008 and provided evidence to support this. He said that he acted on the advice that BG had given him, and it wasn't acceptable that BG couldn't send an engineer when a reputable third-party engineer, could attend much sooner. So, he asked for a decision from an ombudsman.

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, I won't be upholding this complaint. I realise this will be a disappointment to Mr H, but I hope my findings go some way in explaining why I've reached this decision.

I should point out that we look at the evidence provided by both parties, to give an answer to the complaint, that is both fair and impartial. I think the main issues with this complaint is whether Mr H would've been entitled to a new boiler under the terms and conditions of the policy. And whether BG could've been clearer with what it communicated to Mr H.

I have considered the terms and conditions of the policy and I accept Mr H's evidence that the boiler was around 12 years old at the time. In addition, I note that Mr H has had a home emergency policy with boiler cover for several years with BG.

Having reviewed the renewal documents as well as the terms and conditions of the policy, all the documents show that there is no provision for the replacement of a boiler that was over 10 years old. I have thought about what this would mean for Mr H and whether he would be entitled to a replacement boiler. And, I think it means that Mr H would not be entitled to a new boiler under the policy, given the age of the boiler at the time.

BG couldn't send an engineer out sooner. However, it offered Mr H the alternative of getting a third-party engineer to repair the boiler. I have looked at the contact notes and the call record. Both indicate that BG authorised Mr H to get a third-party engineer to *'get the work done and we will reimburse you'*. Nonetheless, given the policy terms, I don't think this meant that it would replace the boiler and therefore be liable to reimburse the cost of this to Mr H.

I think it was more likely than not that BG gave Mr H the authority for the third-party engineer to have carried out a repair of the boiler. Had Mr H contacted BG once the third-party engineer had attended and advised the replacement of the boiler, I think BG would've more likely than not, told Mr H that the policy wouldn't cover a boiler replacement. So, I don't think that BG were unreasonable to refuse to reimburse the cost of the replacement boiler.

Whilst I understand that Mr H followed the instructions, he was given by BG. BG accepted that the advice it gave to Mr H could've been clearer and that there would be a delay in sending an engineer to assist Mr H. So, I think its offer of £150 compensation for the inconvenience caused was fair. I say this because the policy didn't cover Mr H to have a replacement boiler, given the age of his previous boiler. But also, because if I directed BG to reimburse the cost of the replacement boiler, this would mean that Mr H would benefit from receiving a new boiler that he wasn't entitled to, and this wouldn't be fair.

Taking everything into account, whilst I understand how disappointed Mr H will be, I'm not satisfied that BG acted unreasonably by not reimbursing the cost of the replacement boiler. And I think the £150 compensation that BG paid for the inconvenience it caused is fair. So, I won't be asking BG to do anything more to resolve this complaint.

My final decision

For the reasons I explained, I think the compensation of £150 that British Gas Insurance Limited has already paid, for the inconvenience it caused, is fair and reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 6 October 2021.

Ayisha Savage

Ombudsman