

The complaint

Mr R complains on his and his daughter's behalf that when British Gas Insurance Limited (BG) serviced Ms R's boiler its engineer left it an unsafe state. He also complains about the delays in fixing the issue and that BG's engineers weren't qualified to carry out work.

What happened

Mr and Ms R held a BG Homecare Emergency Insurance policy. In November 2019 the unvented hot water cylinder at Ms R's home leaked and they called BG. BG sent an engineer who decided the cylinder needed to be replaced. The arrangements for the work took a long time to resolve due to issues with the installation, and Mr R complained to BG.

Mr R said a warning notice was attached to the cylinder stating only qualified engineers are to work on this type of installation. Mr R said that as a result of BG sending unqualified staff his daughter and family could have suffered serious health consequences. He said they had to leave their home over the Christmas period, and he attended to ensure the system was fixed, but it was left with parts missing and wires exposed. Mr R also said that BG caused damage to the ceiling when its engineer disconnected a fire alarm.

BG responded to the complaint by saying that the cylinder was installed by suitably qualified engineers and it thought all issues had since been resolved. BG didn't agree its engineers would have damaged the ceiling as they had no reason to disconnect the fire alarm. BG apologised for poor service and offered Mr and Ms R £750 compensation, but didn't pay this.

Mr R said he had to arrange the replacement of the cylinder with a 'legal installation', in order to sell the property, but ran out of time. Mr R wanted the compensation but wasn't happy that the hot water cylinder hadn't been fixed by BG, and he had incurred costs from an experienced engineer of £2,352. Mr R referred his complaint to our service and said they wanted their expenses covered by BG and a refund of their premium for the policy.

Our investigator recommended the complaint be upheld. He said BG had given poor service and caused Ms R to move away over Christmas. He thought BG's offer of compensation was fair for this. He said BG should send an independent engineer to inspect the cylinder to ensure it's safe and look at the damage to the ceiling. The investigator said it was fair for BG not to refund the policy premiums as Mr and Ms R had the benefit of the policy.

Mr R said BG had made false statements about its engineer's qualifications and the status of the repairs and an example should be made of the organisation. Mr R paid an independent engineer £2,352 to report and carry out certified repairs to the boiler at Ms R's home. He said his daughter's property was unsaleable due to the unsafe installation of the cylinder and she was seriously anxious about the safety of the installation. He said BG should refund the policy premiums for its poor service and negligence.

Our investigator said BG should pay for Mr R's engineer's report and the work carried out and pay further compensation of £250, totalling £1,000. The investigator said BG shouldn't have to pay compensation for the problems and expense Ms R faced in selling her home or

refund the policy premiums as it wasn't possible to prove that the cylinder caused the failure of the transaction and he couldn't ask BG to pay for something that hadn't happened.

BG agreed with the investigator, but Mr R did not. He said the investigator's information was inaccurate and incomplete and didn't show BG had fabricated responses to avoid responsibility for its illegal and dangerous acts as demonstrated by his engineer's report. Mr R said his daughter's home was unsaleable while the stamp duty relief was in effect due to the illegal installation and she would now have to pay £13,000 stamp duty to buy a new property. Mr R said BG should compensate his daughter for this, the legal fees incurred for an abortive sale of her home and other costs as a direct result of BG's illegal installation.

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 have considered photos, emails and calls between the parties, reports and work sheets.

Mr R previously complained about the boiler. I think the boiler has been working satisfactorily for some time now, but Mr R hasn't confirmed this. The area of work which Mr R has described as being dangerous in the present complaint concerns the cylinder which stores hot water. Mr and Ms R's policy with BG covers their boiler and controls on a service and repair basis.

Mr R has made a series of detailed submissions about his experiences with BG concerning the work to his daughter's hot water cylinder and the impact this has had upon them both. I hope he doesn't view it a discourtesy that I've concentrated on what I consider to be the main points at issue. Some of Mr R's concerns understandably involve what might have happened had the installation of the cylinder caused his family harm. I can see that they found these risks to be traumatic, but our service can only consider what has happened, not what might have happened.

I should also make clear that our service isn't the financial regulator, that is the Financial Conduct Authority (FCA). And so, we can't tell a business how it should operate in order to be in compliance with the regulations or penalise it so as to make an example of it or deter it from future actions. Our role is to determine whether a business has treated a consumer fairly in all the circumstances of a complaint brought to us and where it hasn't, to determine the redress appropriate to the complaint and the consumer's circumstances.

Mr R has recently asked if we could add to his complaint that BG has given false information to the public via its advertisements. This is a matter for the Advertising Standards Authority, and I understand that Mr R has been in contact with them.

I've looked carefully at BG's records of the repairs to Ms R's boiler and its communications with Mr R. BG acknowledged that, *'the work took longer to complete than planned, this was primarily due to lack of experience for the engineer carrying out the replacement of the cylinder. They should also have drained the tank down during the first visit.'* BG also acknowledged it had caused a breakdown of communications and a poor experience.

I think this is an important acknowledgement of poor service and that this lack of experience was manifested when BG's engineer failed to drain the hot water cylinder when called in response to the cylinder leaking. Mr R wasn't told about this and it appears to have led to the cylinder leaking again and concerns about much greater potential damage. I can see that the cylinder had then to be drained and then needed to be re-plumbed and wired in.

Mr R said the work that BG's engineers carried out showed that they didn't hold the legally required qualifications to install an unvented hot water cylinder. A notice fixed to the cylinder states that, '*Installation and servicing must be carried out by a competent installer or engineer*'. BG said its engineers have the training and qualifications to complete the work to the required standard. BG's statement on this point is somewhat undermined by its previous acknowledgement about lack of experience, but not rendered false as Mr R suggests. I understand that BG's engineers are competent to complete the tasks involved in Ms R's repair and can self-certify their work on water cylinders.

I can see from Mr R's communications that he has strongly held views about the way that BG has dealt with the repairs at his daughter's home. He has said that the boiler system has been illegally installed by BG and that BG then acted fraudulently in making false statements and has acted with deception. I can see from Mr R's engineer's report that the engineer was surprised that a BG installation was so poor and that the original (non-BG installation) was not completed according to regulations.

The engineer considered the installation of the replacement cylinder by BG to be dangerous and not carried out by competent person. He set out the failings of the new system and said that BG had failed to resolve this within a reasonable amount of time. From the evidence I've seen, BG failed to ensure that the work at Ms R's home was carried out to a satisfactory standard. I think the state in which the boiler was left was potentially dangerous and it's understandable that Mr R was very concerned about his family's safety. Mr R's engineer replaced the cylinder and I think it's fair for BG to reimburse Mr R the cost of this work and the report. Mr R has provided receipts which show this amounted to £2,352.

Without doubt BG could and should have communicated more accurately and effectively with Mr R so that he knew what the situation with the boiler was, and had his concerns properly addressed. BG needed to respond more quickly to Mr R's concerns and should have arranged oversight of the repairs to ensure safe standards were achieved. From what I've seen BG failed in these respects and assumed it had successfully replaced the cylinder, when in reality its work was sub-standard and potentially dangerous. I think this amounted to very poor service by BG. But I haven't found evidence that BG engaged in fraudulent conduct, as Mr R states. And I don't agree with Mr R that BG's communications have shown that it employs engineers to carry out installations who are not legally qualified to do so.

I have thought about the appropriate compensation in Mr and Ms R's circumstances. Needless to say, it was very unfortunate that the period of poor service from BG took place against a backdrop of Ms R attempting to move house as it certainly didn't help with this. However, there are many reasons why the sale of a property may or may not proceed and it isn't possible to say with certainty in this case that Ms R's sale didn't take place due to the problems with her boiler. And so, I don't think it's fair to require BG to pay the stamp duty and fees that Ms R has incurred or may incur for this.

BG has now paid compensation of £750 for its poor service, including failed appointments and poor communications and the disruption this caused to Mr and Ms R. Mr and Ms R have said that the compensation fall far short of an amount that would reflect the dangers BG caused to them. I can understand Mr and Ms R's concerns about the potentially dangerous situation the boiler was left in, but we don't award compensation for what might have happened only the effects of what has taken place. Their policy with BG limits BG's liability to damage it has actually caused.

I have concluded that overall the sum of £1,000 recommended by the investigator is a fair reflection of the distress and inconvenience Mr and Ms R have had to endure during this unfortunate, drawn-out process. This would include compensation for the visits by BG staff to Ms R's home and the inconvenience she and Mr R suffered through these visits and being

without hot water and heating for a prolonged period. This means that BG must now pay Mr and Ms R further compensation of £250 if they accept this decision.

In his first assessment our investigator recommended Mr R obtain a professional report about the potential damage to Ms R's ceiling concerning her alarm. BG has consistently denied causing this damage and Mr R is very adamant that they did. Mr R has recently said he has paid for the repair but doesn't have all the receipts. I sympathise with Mr and Ms R for this problem, but I haven't seen evidence to show that BG caused the damage described. However, if this remains of concern then Mr R could obtain an expert report about the damage and send this to BG along with any receipts that he holds. And BG should take action in accordance with any findings of a report. If Mr and Ms R remain dissatisfied by the outcome of this issue, they may bring a further complaint to BG.

I don't think it's fair to require BG to refund Mr and Ms R's policy premiums as they have had the benefit of the policy, albeit in frustrating circumstances, and could have made a claim at any time. I understand that Mr and Ms R are likely to be disappointed by this outcome to their complaint. If Mr R rejects this final decision other options in pursuing this complaint remain open including legal action should he wish. He may also wish to consider bringing his concerns about the legality of BG's actions to the financial regulator, the FCA.

My final decision

For the reasons I have given above it is my final decision that the complaint is upheld. I require British Gas Insurance Limited to pay Mr and Ms R a total of £1,000 compensation (less any amount that it has paid already) for the impact upon them of the very poor service they have received.

I also require British Gas Insurance Limited to reimburse Mr R £2,352 for his engineer's report and this includes the work his engineer carried out to Ms R's boiler system. I require British Gas Insurance Limited to add interest at 8% simple to the sum of £2,352 from the date the amount was paid until British Gas Insurance Limited makes payment to Mr R.

If British Gas Insurance Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr R how much it's taken off. It should also give Mr R a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R and Mr R to accept or reject my decision before 31 March 2022.

Andrew Fraser
Ombudsman