

The complaint

Mrs B's complaint arises from her central heating insurance policy with British Gas Insurance Limited. Mrs B is represented in this complaint by Mr C but for ease, all references in this decision will be to Mrs B.

What happened

I issued a provisional decision on this matter in September 2021, the main parts of which is copied below:

"British Gas installed a new 'warm air' gas boiler in Mrs B's property in 2003. She has apparently had the boiler serviced annually by British Gas since then and in 2010 took out this policy with British Gas, which also includes an annual service of the boiler. During the service carried out in 2014, British Gas's engineer told Mrs B that there was insufficient air flow and issued an 'at risk' notice for the boiler as he deemed it unsafe to operate. The engineer said that an additional air vent would need to be installed. Mrs B says she had this installed at a cost of £150.

In 2015, another engineer said the previous year's installation should be removed and replaced. Mrs B says this work cost her £500. Then during the annual service 2019, Mrs B was told that the ventilation was still not sufficient. British Gas said it attended in July 2019 with a Safety Assurant Engineer to investigate fully the ventilation issues. It assessed that the best solution would be to cut vents into the cupboard doors, into the hall and then a vent installed going from the hall floor to the outside of the property. British Gas offered to do this as a gesture of goodwill. However, I understand Mrs B didn't want to do this, as she didn't want the cupboard doors to be cut and ventilation grills fitted to them. Mrs B apparently suggested a different route for the ventilation but then suspected asbestos was found and so this was not viable according to British Gas.

Mrs B is very unhappy about the dealings with British Gas and the condition of her boiler. She has made a number of submissions, which I've summarised below:

- British Gas failed to install the boiler in accordance with the manufacturer's instructions in respect of ventilation in 2003. The correct ventilation was never installed or provided and the airing cupboard location of the boiler did not comply with the manufacturer's instructions.*
- British Gas has tried to say that new ventilation is needed due to a change in regulations, rather than a failure on its part during installation.*
- The incorrect ventilation provision has meant the boiler has not operated as efficiently as it should, meaning she's used more gas at greater cost over the years.*
- British Gas also failed to diagnose the undersized ventilation during the annual service visits in previous years, resulting in further issues with the boiler and additional expense.*
- It also failed to identify the safety issues the gas supplier found in June 2020, raising further doubt about British Gas's engineers' abilities, given these were never mentioned at any annual service.*

- The remedial work she had carried out at British Gas's behest (totalling around £1,200) hasn't addressed the real issue with the boiler, which was that it wasn't properly installed in the first place.
- British Gas should not have issued notices requiring her to carry out remedial work which was, in fact, its responsibility.
- British Gas offered to put vents in the doors containing the boiler, the vents would have opened into the hallway, so this would not have made any difference to the fact there was not proper external ventilation.

Mrs B wants a written admission that the original installation in 2003/4 was not, and remains, contrary to the manufacturer's instructions and British Standards and an apology for the subsequent problems that stem from that failure; to be reimbursed for the work she has had done; a new boiler to be fitted correctly; and compensation for the excessive consumption of gas resulting from the fact that adequate ventilation was never installed, which she puts at an extra £1,000.

British Gas says the boiler was fitted almost 18 years ago and regulations change over time. It advised that the best option to resolve the issues with no further problems, is to have the vents cut into the cupboard door, a vent in the hall floor and a vent fitted under the floor to the outside of the property. It is still prepared to do this free of charge.

One of our investigators looked into the matter. The investigator was satisfied that the remedial work carried out didn't address the real issue with the boiler, which was that it wasn't properly installed in the first place. She therefore recommended that British Gas pay Mrs B £650 to cover the cost of the remedial work she had done on British Gas's advice and pay her £150 compensation for the trouble caused to her.

Mrs B accepted the investigator's assessment but British Gas did not.

British Gas says that the cupboard doors which house the boiler previously had ventilation in them but they have been replaced when some work was done to change the flue. British Gas says this was done with the incorrect materials and the ventilation was taken in to the compartment from the loft and under the floor via ducting made from washing machine/tumble dryer hoses. It did not do this work and there's no evidence the boiler was installed incorrectly in the first place. British Gas also says that at the first service visit, its engineer recorded that the flue was 'not to current standards' which would be because there'd been a minor change in regulations but there is no safety risk. There are records of readings taken which show it as inspected and safe on the first visit.

British Gas also says it did not carry out the remedial work, there's no record of what was done, or invoices provided but, in any case, it was for those contractors to ensure they had completed the work to the correct standard. Based on the information provided and, as it has tried to offer solutions as a gesture of goodwill, it doesn't agree that it should cover the cost of the remedial work £650, or pay any compensation

What I've provisionally 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.

Jurisdiction

The boiler was installed by British Gas Services Limited but, while it is part of the British Gas group, this is not the same legal entity as British Gas Insurance Limited. I only have

jurisdiction over British Gas Insurance Limited in regard to its handling of insurance claims and have no jurisdiction over British Gas Services Limited with regard to installation of boilers carried out as a private contract of works.

I therefore do not have the power to determine if the original installation was done correctly or not; and even if it were proved to have been done incorrectly, I have no power to make any award in Mrs B's favour regarding that. This would be a matter for other bodies. I do, however, have the power to consider whether there was a defect that should have been identified in earlier services and what was done and the advice given at each service visit.

Advice regarding remedial work

There was apparently a first service visit in 2010, when the flue was recorded as being not to current standards but it was operating safely. It was a few years later that British Gas apparently first said that remedial work was needed to make the boiler safe. Mrs B says that the work she was advised to have done, was not right and did not resolve the problem.

British Gas says that while Mrs B had some work done, it was not done correctly (such as using washing machine ducting as ventilation). British Gas also says it was for the contractors Mrs B employed to ensure they were carrying out the work properly.

British Gas's arguments do carry some weight. Its obligation at each service was to identify any issues and inform Mrs B about them. As it was not responsible for any remedial work (under the terms of the insurance policy) it would be for the contractors employed by Mrs B to assess and do the work they thought required. If there was any professional difference of opinion about the flue and/or ventilation work needed, I would expect this to have been raised at the time. So even if British Gas advised work was needed that was not right, I do not consider it can be held responsible for any work done or not done by other parties.

Mrs B may have relied on the remedial notices to have work done by third parties but, as both parties agree the ventilation is not right, I cannot say that this means British Gas is responsible for the ventilation not being rectified.

In addition, while I have no real reason to doubt what Mrs B has said, there is no supporting evidence of the work Mrs B says she had done and the cost of any such work. Overall therefore I do not consider British Gas can reasonably be asked to pay Mrs B £650 for work apparently not done correctly by third parties and which in any case has not been evidenced.

Again for clarity – even though Mrs B is adamant the ventilation problems are due to the incorrect installation of the system – as this was not done by British Gas Insurance Limited, I cannot make any award based on the standard of the installation.

Mrs B has also said that British Gas should have identified the ventilation problems sooner than it did and that the information provided about what was needed was inconsistent. I agree that the information provided at each annual service does not seem to have been consistent and probably could have been more helpful. However, even if these issues should have been apparent to British Gas sooner (and were not due to changes in regulations that happened afterwards), I do not think it makes any difference to the outcome of the complaint. I say this because the faults would still need to be rectified properly and, for the reasons given above, it was not British Gas's obligation to do that work. Mrs B has also said the ventilation issues mean she has used more gas than should have been necessary but there is no independent evidence to support this.

British Gas has offered to do the work that it says is required to rectify the ventilation issues. While Mrs B does not agree with what is proposed, I am unable to conclude it is incorrect

without some other expert opinion to support that assertion. I think British Gas has made a reasonable offer to resolve the complaint and I do not consider it needs to do anything further, or make any payment to Mrs B.

I understand Mrs B will be disappointed with this decision, having already received a recommendation from the investigator that British Gas should make a payment to her. However, both parties are entitled to appeal to an ombudsman - the final stage in our process - and it is my role to review the matter afresh and make my own decision as to the appropriate outcome. And for the reasons given above, including that we cannot attribute any installation faults to British Gas Insurance Limited (even if they had been proven), I do not agree with the outcome recommended by the investigator.

My provisional decision

I do not intend to uphold this complaint."

Mrs B's response to my provisional decision

Mrs B does not accept my provisional decision. She has raised a number of points, which I've summarised below:

- My decision is based on false and incorrect information and suppositions. I have not considered the evidence presented, so how can she submit new evidence?
- I've stated I do not have the power to determine if the original boiler installation was correct. If that is so, why was she referred to the Financial Ombudsman Service by British Gas?
- The entire basis of her complaint is that the boiler was never installed correctly. British Gas admits this installation is incorrect by its willingness to make it comply, through the provision of extra ventilation.
- However, British Gas's suggestion for how to make the boiler comply with the manufacturer's installation instructions regarding ventilation are totally unacceptable, as a permanent external vent in the hall will make the house too cold. How can I say this is reasonable?
- I have said British Gas assessed that the best solution was to provide the above ventilation. This is only the 'best' solution from its point of view because it would cost the least. It is not the best solution from her position.
- British Gas says this offer is made as a 'gesture of goodwill' but it appears more to be a shirking of responsibility and I am colluding with British Gas in describing this as fair and reasonable.
- If I have no power to consider the complaint, how can I decide this offer is reasonable?
- British Gas says that the original cupboard doors were louvered to provide ventilation. This is incorrect. The doors were fully lined with asbestos and therefore did not provide ventilation and in any event, this would still not have been adequate ventilation.
- She cannot provide evidence of the cost of the work she had done but British Gas accepts that work was carried out, and the investigator agreed made an award. Why do I feel empowered to completely overturn an investigator's conclusion?
- The whole process has been unfair and biased.

Mrs B says she will accept a ventilator, fitted at British Gas cost, to ventilate the boiler to the outside air, but not via the hallway.

British Gas has not added anything further.

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.

As set out in my provisional decision, I understand Mrs B's disappointment with my decision, having already received a recommendation from the investigator that British Gas should make a payment to her. However, as I also explained, our process is that either party is entitled to appeal to an ombudsman who will consider the matter afresh and make their own decision as to the appropriate outcome. It is only an ombudsman's decision that is binding (if accepted by the consumer) and it is the final stage in our process. Often the deciding ombudsman will agree with the investigator's initial assessment but if the deciding ombudsman does not agree then it can be overturned. Having considered all the evidence, I did not agree with the investigator's assessment.

The main part of Mrs B's complaint is about the initial installation of the boiler but, for the reasons explained in my provisional decision, this service does not have the power to consider that or make any award in relation to that, even if it had been proven that the initial installation was incorrect. I have no discretion about this. I am not saying that British Gas Services Limited was not at fault, simply that I cannot make any determination or award about the installation.

However, as there was also a complaint about the defects not being spotted at annual services provided under the insurance policy, Mrs B was rightly referred to this service. And in any case, it is for us to determine if a complaint falls within our jurisdiction or not and not for an insurer to decide, so it is reasonable for the referral to us to be made.

The work that Mrs B had carried out was not covered by the insurance policy and was required because of the way the boiler was installed. The work was not done by British Gas and it says it was not done correctly. I do not therefore see any reason why British Gas Insurance Limited (rather than British Gas Services Limited) should be expected to reimburse these costs, even if there were proof of payments made by Mrs B for them.

I provisionally concluded that the information provided at each annual service does not seem to have been consistent and could have been more helpful. I remain of that opinion. I also remain of the opinion that it makes no difference to the outcome of the complaint, as the faults would still need to be rectified properly and it was not British Gas's obligation to do that work.

British Gas has offered to carry out some work to provide ventilation to the boiler. Mrs B is not happy with the way it has proposed to do that but, as I do not consider it needs to do anything under the insurance policy, and is not responsible for any of the works she had done privately not resolving the issue, I think its offer is reasonable and I remain of the opinion that it does not need to do anything further, or make any payment to Mrs B.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 20 December 2021.

Harriet McCarthy
Ombudsman