

The complaint

Mr M complained about the service provided by British Gas Insurance Limited under his home emergency policy.

What happened

Mr M had a HomeCare policy with British Gas that covered him for repairs to his boiler in the event of a breakdown. When a British Gas engineer attended in September 2021, they noted that a new part was needed to repair Mr M's boiler. As the part was obsolete, they advised Mr M he needed a new boiler. British Gas then cancelled Mr M's boiler cover as it said it could no longer provide a service.

Mr M complained. He said the part needed to repair his boiler wasn't obsolete and could be sourced on the open market. He wanted British Gas to fulfil its contractual obligations and repair his boiler. British Gas said it used a range of trusted suppliers to provide replacement parts but none of them were able to source the necessary part. It said it had given Mr M the option of sourcing the part himself and said that, as long as British Gas approved the part, its engineer could fit it for him. But it said Mr M had declined this offer. Instead, it said it would refund the premiums Mr M had paid for his boiler cover, from the date the manufacturer said the part had become obsolete, which was May 2019. It sent Mr M a cheque for £399.17. Mr M wasn't happy with this and brought his complaint to this service. He thought British Gas should source the part and repair his boiler.

Our investigator thought British Gas had acted fairly and reasonably by refunding the cost of Mr M's boiler cover. So, he didn't think British Gas needed to take any further action.

As Mr M didn't agree with the investigator's view, his complaint has been passed to me to make a 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.

My role is to assess whether I think British Gas made a mistake, or treated Mr M unfairly, in how it decided to resolve this matter. And, having thought carefully about everything he and British Gas have said, I don't think it did. I appreciate Mr M will be disappointed by this outcome, but I hope he can understand the reasons behind my decision.

Mr M's insurance policy with British Gas covers situations like this where there might be problems getting hold of replacement parts. The terms of his policy say British Gas will try to get replacement parts from the original manufacturer or its approved suppliers. And if it can't get hold of the necessary part(s), it may need to cancel the policy (or part of it). So, I don't think it would be unreasonable for British Gas to cancel Mr M's boiler cover if it's unable to get hold of the part(s) it needs to repair his boiler. But the question here is whether British Gas should have done more to get hold of the part needed to repair Mr M's boiler. Mr M says the part is available on the open market, while British Gas says its suppliers no longer have

that part.

Mr M has said British Gas hasn't substantiated its claim that the replacement part is obsolete. But I have no reason to disbelieve what it's said. British Gas's records indicate that Mr M's central heating system was installed in 1995. And an online check for the type of boiler owned by Mr M shows that it was manufactured between 1988 and 2001. British Gas has said that boilers have an expected lifespan of between 10 and 15 years, and manufacturers are only obliged to make replacement parts for 10 years after they cease production. I can't verify this information but it seems logical to me that replacement parts will be less readily available for older models of boilers than newer ones, particularly those that are over 20 years old. So, in these circumstances, I don't think it was unfair of British Gas to say it wasn't able to source the relevant part from the manufacturer or its trusted suppliers.

Mr M thinks British Gas should have sourced the necessary part from a third-party supplier and not just its trusted suppliers. But it's not for me to decide which companies are included on its list of trusted suppliers. That's rightly a business decision for British Gas to make. I can understand Mr M's frustration if the relevant part is available from other suppliers. But I think British Gas has acted in line with the terms of Mr M's policy by only trying to source that part from the manufacturer and its approved suppliers.

I also think British Gas acted fairly and reasonably by giving Mr M the option of sourcing the part himself. That was in line with the terms of his policy which says the policy holder can give its engineer a replacement part they've bought themselves, as long as it approves the part. British Gas said it would fit the part if Mr M was able to source it himself. But he declined that option.

British Gas has agreed to refund the premiums Mr M paid for boiler cover from May 2019, which was when it says the manufacturer stopped making the part needed to repair his boiler. The terms of Mr M's policy say, in these circumstances, British Gas will refund any money he's paid for his boiler cover since his last renewal date or his last claim, whichever was the more recent. Mr M's policy renewed in October 2019 and British Gas attended Mr M's property in August and September 2020. So, British Gas has gone beyond the terms of the policy by backdating the refund to May 2019 and so I think its offer is fair and reasonable in all the circumstances.

I'm sorry to hear about the problems Mr M faced and I can understand his frustration. But I don't think British Gas has treated him unfairly and I don't think it needs to do anything more.

My final decision

British Gas has given Mr M £399.17 to settle the complaint and I think that amount is fair in all the circumstances. It should pay that amount to him if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 February 2022.

Richard Walker
Ombudsman