

The complaint

Mr M complains that he was mis-sold a home insurance policy by British Gas Services Limited.

What happened

Mr M bought a *HomeCare 2* policy with British Gas Services (BG) in July 2018. This covers problems with his boiler, boiler controls and central heating system. Mr M tells us he bought this policy because he was keen to ensure a hot water supply for his home given that he has children.

He made a claim in September 2019 because he was having issues with his water tank. He says there were problems with the ballcock, which was causing the tank to overflow through the overflow pipe.

BG's engineer told Mr M the issue wasn't covered by his policy. BG offered to carry out repairs if Mr M upgraded his policy – to *HomeCare 3 or 4* – both of which cover plumbing and drains in addition to boilers and central heating.

Mr M wasn't happy about this and made a complaint to BG. He said he'd been sold the policy as covering his heating system. And he said that the water tank served no other purpose than to feed water into his boiler and central heating system and so should be considered part of the heating system.

BG didn't uphold Mr M's complaint. They said the water tank was part of the plumbing at Mr M's property and wasn't covered by the policy. And they said this was clear in the terms and conditions booklet which they'd sent to Mr M when he purchased the policy and at renewal.

Mr M wasn't happy with this outcome and brought his complaint to us. He maintains that the water tank can only properly be considered to be a part of the heating system. And he told us he'd never seen the policy booklet. He wants BG to refund his premiums back to inception in July 2018 given that the policy was mis-sold to him and he hasn't benefitted from it.

Our investigator looked into it and didn't think BG had done anything wrong. She thought the terms of the policy would have been clear to Mr M – through the policy documentation and/or BG's website. And she thought it was clear that the overflow from the water tank would not be covered.

Mr M disagreed and asked for a final 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.

I should be very clear at the outset that Mr M's complaint to BG – and then to us – is that the

policy was mis-sold to him. It's not about BG's decision to decline the claim he made in September 2019. He's saying, in essence, that if the policy doesn't cover that issue, then it was mis-sold to him because it was sold as providing cover for any problems with his heating system.

That's the complaint I'm looking at here – the alleged mis-sale. I will offer some comment on the September 2019 claim itself later, but I have to be clear that isn't part of this, my current decision. It can't be, because Mr M hasn't complained about that to BG or to us – and the rules which govern our service dictate that BG should have a chance to resolve a complaint before the matter can be brought to us.

When Mr M brought his complaint to us, he sent us various screenshots from BG's on-line website. His purpose in doing so was, I think, to demonstrate that the *HomeCare 2* policy was sold as covering a property's heating system.

Our assumption, on that basis, was that Mr M had bought his policy on-line. And our investigator said that the policy terms and conditions were also available on-line. And would have been sent to Mr M in any case. And she thought the terms were clear about what was and was not covered.

After he'd heard our investigator's view, Mr M told us he now recalled buying the policy over the phone after a cold call from a BG agent or someone acting on BG's behalf. He said he couldn't remember the date or time – or which number he was called on – but that he was advised during the call that the policy would cover the whole of his heating system.

BG can't find any record of any such call in their systems. And they've sent us a copy of their system notes which record the policy as being bought on-line by Mr M as part of a home move.

Taking all of that into account, I'm satisfied that on balance it's more likely Mr M bought the policy on-line. All of the available evidence points that way. And there is no evidence of the supposed phone call.

It is of course possible that Mr M received a call and bought the policy on the caller's advice, but on balance it's unlikely given the degree of planning and coordination BG would have had to deploy to create a false record of the sale.

In any case, however the policy was bought, I'm also satisfied that it's very likely BG sent the policy documents to Mr M at the point of sale and at renewal. There would be no reason for them not to do so.

Mr M says he's never seen the policy documents – either on-line or having been sent them. It's slightly surprising to me that he'd buy a policy without knowing – or wanting to know – what exactly he was getting for his money. And I would imagine most customers who didn't receive terms and conditions immediately after purchase might follow that up and make enquiries.

If I take Mr M's assertions at face value though, I have to stress that my decision is about whether BG acted fairly and reasonably towards Mr M. It is possible Mr M didn't receive the policy documentation, but it's extraordinarily unlikely that BG didn't send it. And I can't hold BG responsible if they sent the relevant communications, but Mr M didn't get them due to some fault in the mail or delivery systems.

The policy documents are reasonably clear. They cover all of BG's *HomeCare* policy range, but they set out what each policy covers reasonably straightforwardly. It's entirely clear that *HomeCare 2* covers boilers and central heating, but not drains and plumbing (which *are* covered by the slightly more expensive policies).

There's a very helpful diagram of a house and its various constituent parts included in the policy document. And the clear colour coding sets out what elements are considered 'boiler and controls' (colour coded orange), or 'central heating' (green) or 'plumbing' (purple).

So, I don't think it could usually be suggested that anyone who had access to the policy documents was mis-sold any of the *HomeCare* policies on the basis that it wasn't reasonably clear which policies covered which elements of the home. And, as I say, I think BG very likely took all reasonable steps to ensure Mr M had access to the policy documents.

I should be very clear too that I don't agree with Mr M's assertion that he should get all his premiums back because he hasn't benefitted from the policy at all. I can see from BG's work records that Mr M had had two annual services by May 2021. Mr M has also confirmed this.

And I can also see that he's called out BG to deal with different issues with his heating systems on at least five or six other occasions. On most of those occasions, it appears BG did carry out work on Mr M's behalf. The records don't show whether Mr M had to make any contribution to pay for the work or pay a call out fee. But clearly, BG visited the property on several occasions to fulfil their obligations under the policy.

So, in summary, I'm not going to uphold Mr M's complaint that he was mis-sold the policy. I'm satisfied it's very likely BG did all they could reasonably do to make Mr M aware of the terms of the policy. And Mr M has clearly benefitted from having the policy.

I said at the outset that I'd come back to BG's decision to decline the claim itself. I should emphasise – again – that this is not something I can formally address as part of my decision, but it would be entirely unfair not to mention my thoughts on it so that Mr M is clear about where he stands.

In his complaint to us, Mr M refers to the water tank in question as an expansion and feeder tank. In a vented central heating system, the expansion tank is where water goes when it expands – when it's heated – and so more than fills the capacity of the boiler, pipes and radiators in a typical central heating system.

In their final response to Mr M's complaint, BG refer to the tank as a cold water tank. This would typically be a tank which holds water from an outside source, fed by cold water pipes, and then feeds it into the boiler or cylinder.

A cold water tank might properly be seen as part of the plumbing of the house – even if it only feeds the heating system. It's essentially no more than a part of the pipework / plumbing which brings water into the house. Hence BG's assertion that Mr M's tank is part of the 'drains and plumbing' rather than part of the heating system.

An expansion tank is a different thing. And it's arguable that it is in fact a part of the heating system. I can see that the diagram in BG's policy document acknowledges this. The expansion tank in that diagram is split colour coded – both green and purple (central heating *and* plumbing).

Importantly, in BG's work / contact notes, which record interactions with the customer, BG's engineer's report refers to Mr M's tank as the "*f and e water tank*". In the context, I think f and e must stand for feeder and expansion.

So, I can only assume Mr M's problem tank (he has two tanks apparently) is an expansion tank and not a simple cold water supply tank. We have asked for further evidence or information from both BG and Mr M to confirm or deny my suspicion, but it seems none is available, so I will have to go with the information on BG's system, supplied by their own engineer.

I believe Mr M has now had the problem with the ballcock fixed. If he paid for that work to be done – and he can evidence that for BG – I would expect that BG will *consider* covering Mr M's costs as the proper response to his original claim (given that their policy documents suggest an expansion tank may be part of the central heating system). Though they may wish to make further enquiries and/or inspect the tank before they do so.

As I say, this is not part of my formal final decision on this case. If Mr M submits evidence of the relevant payment to BG and they decide *not* to pay the claim, he would be entitled to make a complaint to them – and then to us, if he's not satisfied with the outcome.

My final decision

For the reasons set out above, I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 April 2022.

Neil Marshall
Ombudsman