

The complaint

Mr C complains British Gas Insurance Limited didn't service his boiler, controls and central heating correctly over a number of years, cancelled an appointment for repairs at the last minute and didn't reimburse him when he got another engineer to carry out the repairs.

What happened

Mr C took out a home emergency insurance policy with British Gas in 2016. In this and later years, the policy gave him cover for his boiler, controls and central heating on a repair and service basis.

Following services in 2016 and 2018, British Gas also serviced Mr C's boiler, controls and central heating in November 2020.

In March 2021, Mr C reported to British Gas that the heating was making a loud noise when it came on, the hot water was running cold and some radiators were leaking, while others weren't working.

British Gas arranged an appointment with Mr C for the middle of April 2021. Mr C took time off work for it. But British Gas cancelled on the morning of the appointment, saying its engineers were in high demand. The next available appointment wasn't until the middle of May 2021. So British Gas said Mr C could get another engineer to look at the problem. And it said it would reimburse him "*all the costs within your policy cover*".

Mr C says the engineer he called in said the central heating system hadn't been serviced correctly by British Gas and was "*really dirty*", the heat exchanger hadn't been checked and the filter hadn't been cleaned. The engineer quoted Mr C around £4,000 to replace the boiler, the hot water tank, some radiators, and the filter.

When Mr C complained to British Gas about what had happened and asked to be reimbursed his engineer's costs, it offered (and has paid) him £230 as a goodwill gesture for its poor customer service and because it hadn't serviced Mr C's boiler, controls and heating in 2019. But British Gas didn't think it had done anything wrong with the servicing and so wasn't responsible for Mr C's costs.

Mr C brought his complaint to us. The investigator who looked at it thought British Gas' offer of compensation to Mr C was fair and reasonable but he didn't think it would be fair and reasonable for British Gas to reimburse Mr C for replacing his central heating system.

Unhappy with this outcome, Mr C has asked for an ombudsman to review his complaint.

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.

British Gas has already offered (and paid) Mr C £230 to settle the complaint and I think its offer is fair in all the circumstances, as I'll explain.

British Gas says it offered Mr C £230 as a goodwill gesture for the cancellation of his appointment and for the missed service. It says £100 of this compensation was for the distress and inconvenience its cancellation of his appointment on the day caused Mr C. And £130 was offered because Mr C's central heating wasn't serviced in 2019.

I think it must've been distressing and inconvenient for Mr C to have had his appointment cancelled on the day. He'd taken time off work and moved things around in his home ready for an engineer's visit. He didn't get call-backs from British Gas when he'd been told to expect them. And, having already waited a month, he was told he'd need to wait another month for a new appointment. But I think the compensation of £100 British Gas has paid Mr C for the distress and inconvenience it caused him is fair and reasonable and in line with what I'd expect it to offer in these circumstances.

I also think the compensation of £130 British Gas has paid Mr C for the missed service is fair and reasonable. That's because he'd paid for an annual service as part of his policy premium and, in 2019, he didn't get it.

I don't, however, think it would be fair and reasonable to direct British Gas to reimburse Mr C the cost of having his central heating replaced. I know Mr C thinks that's what British Gas agreed to because he got an email saying it would pay "*all the costs within your policy cover*".

I think the important words here are "*within your policy cover*". Mr C's policy which, as I've said, covered his boiler, controls and central heating on a service and repair basis, sets out a list of things that are covered. But it also sets out a list of things that aren't covered. So I think what British Gas was saying in its email is that it would pay all his costs *if* the problems his engineer found were covered by his policy. I don't think British Gas was giving a blanket agreement to cover all Mr C's costs, whatever the circumstances.

British Gas has said it won't reimburse Mr C's costs, because it doesn't think it failed to service his boiler, controls and central heating correctly in 2016, 2018 and 2020. What I need to decide is whether or not British Gas has acted fairly and reasonably in reaching this conclusion. And for that, I must consider all the evidence I've got from both Mr C and British Gas. For the purposes of this decision, however, I'm just going to summarise what I think are the main points.

When Mr C's wife called British Gas after his engineer had visited, she said he'd advised the water tank needed replacing due to a build-up of sludge, which should've been picked up on servicing. British Gas' call notes say it told Mr C's wife it would "*need to check this ourselves as [the] T's and C's state damage due to sludge or scale will not be covered*". The call notes go on to say British Gas offered to get an engineer to visit Mr C the next day but Mr C had lost faith in British Gas and so turned down the offer.

Mr C subsequently got a short report from his engineer on what he'd found. It says an isolation valve to the fornic cylinder float operated inlet valve was closed. He says Mr C's wife had told him this had been isolated by British Gas on the previous service visit. He says after opening the isolation valve and filling the water tank, it was clear the inlet valve had failed – and because it hadn't been changed for a new valve, the water tank had been damaged.

In his report, Mr C's engineer also says the main heat exchanger and primary filter were heavily clogged with "*system debris*". He says neither of these components should've been in the condition they were in following a recent service. To rectify the problems, he quoted to power flush the system, remove the damaged hot water tank and replace the boiler.

British Gas has disputed Mr C's engineer's findings. It says Mr C's policy doesn't cover the installation of a new central heating system, if the existing system can be repaired. It says power flushing isn't included in Mr C's cover. It says, if its last engineer had isolated the inlet valve to the fortic cylinder ball valve, Mr C wouldn't have had water since November 2020. It says if the water tank was dry, the primary water would be running through the primary circuit and shouldn't cause any damage to the cylinder, as the boiler would *"just turn off on temperature"*.

British Gas also disputes Mr C's engineer's findings in relation to the *"system debris"*. It says this is generally caused by poor installation and system configuration over a long time, causing oxidisation sludge to build up. It says the only way this issue could be related to an annual service is if by *"system debris"* Mr C's engineer meant combustion/heat exchanger alloy degradation. But it says the service procedure for Mr C's boiler states the primary heat exchanger doesn't need cleaning if the fan pressure test result is satisfactory. Although the work history for Mr C's 2020 service doesn't say this test was conducted, British Gas says its engineer's report shows the combustion and gas rate were satisfactory, which British Gas says leads it to believe the heat exchanger wouldn't have required any further servicing. And British Gas says the primary filter wasn't looked at when a service took place in April 2018 *"due to an access issue"* (something I know Mr C disputes). It says a blocked filter is *"easily remedied and does not add to any justification to install a new boiler/system"*.

The evidence I've seen in this complaint isn't complete. British Gas hasn't been able to give us copies of the checklists it says its engineers would've completed for each service. Mr C says he wasn't given copies. I have seen an extract from a spreadsheet that summarises each visit report (I think this is the information a British Gas technician shared with Mr C's wife) but this isn't a complete record.

Nevertheless, from the evidence I have seen, it's clear Mr C's engineer and British Gas have different views on the cause of Mr C's central heating problems. My role isn't to decide what caused these problems. It's to decide if British Gas has acted fairly and reasonably in refusing to reimburse Mr C his costs. As I've said, I don't think British Gas gave Mr C a blanket agreement to pay all his repair costs. I think it agreed only to pay those that fell within his policy. So I think it was entitled to investigate whether the costs Mr C was claiming for did fall within his cover or else were caused by poor servicing. But British Gas wasn't able to do this, because Mr C turned down its offer of a visit. The report Mr C's engineer prepared is short and his findings aren't supported by any photographic evidence. And British Gas' own engineers have explained throughout why they don't accept Mr C's engineer's findings. Taking all of this into account, I don't think British Gas has acted unfairly or unreasonably by relying on its engineers' technical advice to decide not to reimburse Mr C his costs for replacing his central heating system.

In addition to the points I've summarised here, I've considered all the other points Mr C has made in support of his position but they don't change my conclusions on his complaint.

My final decision

British Gas Insurance Limited has offered and paid Mr C £230 to settle his complaint. I think that's fair and reasonable in all the circumstances and I don't think British Gas Insurance Limited needs to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 April 2022.

Jane Gallacher

Ombudsman