

## **The complaint**

Mrs G has complained about how British Gas Services Limited (British Gas) dealt with a claim under a boiler warranty.

I'm aware Mrs G is represented in this case but, for ease, I will only refer to Mrs G.

## **What happened**

Mrs G had a new boiler installed by British Gas, which had a five-year warranty. A while later, a leak was found which was from the original pipework connected to the boiler. Mrs G asked British Gas to deal with this under the warranty. However, British Gas said the pipework wasn't covered by the warranty.

When Mrs G complained, British Gas said its engineers didn't find evidence that it was responsible for the leak. Mrs G repaired the leak but wasn't able to provide evidence of the work carried out. The warranty terms and conditions also said British Gas didn't accept responsibility for the cost of repairing or replacing parts of the existing system that later developed faults. British Gas said it had refunded payments for both the HomeCare policy and the Plumbing and Drains cover. There was also no payment made for the visit that had taken place.

Mrs G complained to British Gas again. When British Gas replied, it said it still didn't think the installation was a factor in the leak. However, it should have made better effort to identify the issue and provide advice. It offered £300 as a goodwill gesture.

When Mrs G complained to this service, our investigator upheld the complaint but said British Gas's later offer was reasonable in the circumstances. He explained why he thought the complaint was within our jurisdiction. He also said he didn't think British Gas had provided the correct terms and conditions for the policy, which explained about existing pipework. But there wasn't evidence to show British Gas's actions were the main cause of the leak. He said the £300 offered was reasonable in the circumstances.

As Mrs G didn't agree, the complaint was referred to me.

## **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.

Having done so, I uphold this complaint. I will explain why.

I'm aware that when this complaint first came to this service, British Gas queried whether we had jurisdiction to look at the issue. It has since seemed to accept we can consider this case. The Perimeter Guidance Rules (PERG), which can be found in the Financial Conduct Authority's handbook, set out guidance on what constitutes a contract of insurance. Looking at the cover, this said there was no cost for the warranty. However, given there will have been a cost to British Gas for providing the warranty, I'm satisfied there was financial consideration built into the overall cost of the supply and installation of the boiler. So, I think there's been "*consideration of one or more payments*". The policy terms and conditions also offer a service which includes "*repairs*". So, I agree with our investigator that the repairs Mrs G wanted British Gas to carry out were available as part of a contract of insurance.

British Gas said it wouldn't carry out the work because its terms and conditions had an exclusion that said:

*"Where we've connected new equipment to your existing system, we can't accept responsibility for the cost of repairing or replacing parts of your existing system that later develop faults..."*

Mrs G said she hadn't received terms and conditions that contained this exclusion. I've looked at the terms and conditions for the warranty and can see it has this exclusion. The warranty letter said the terms and conditions were enclosed and included a link to a page on British Gas's website. However, this link was to the terms and conditions of its HomeCare policy. So, I think there's reason to doubt that British Gas provided the correct terms and conditions with the letter or that Mrs G was able to access these online following the link provided by British Gas. That being the case, I would be minded to say British Gas should carry out the repair. However, I'm aware the repair has already been carried out, so there is now no purpose in me saying British Gas should do this.

I've also thought about whether British Gas was responsible for the leak itself. British Gas's engineers didn't find evidence it was responsible for the leak. British Gas also later reviewed what happened and didn't find any evidence the leak was likely to be result of its work. Mrs G was also asked to provide evidence of the issue found and of the repair carried out to the joint fitted, but Mrs G was unable to do this as the flooring had already been replaced following the repair. So, I'm not persuaded there was evidence to show British Gas's work was the main cause of the leak and that it was therefore responsible for the damage.

British Gas offered £300 as a gesture of goodwill because of how it dealt with some of the issues. Mrs G has said this didn't cover the costs involved to deal with the leak and damage, which were about £560. Given the issues with the terms and conditions and the confusion this seems to have caused about the extent of the cover in place, I think some compensation is due. However, I don't think British Gas needs to cover the cost of the damage. So, I think the amount offered by British Gas is reasonable in the circumstances and that it should pay Mrs G the £300 it previously offered if it hasn't done so already.

## **Putting things right**

British Gas should pay the £300 it previously offered if it hasn't done so already.

**My final decision**

For the reasons I have given, it is my final decision that this complaint is upheld. British Gas Services Limited should pay the £300 it previously offered if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 26 May 2022.

Louise O'Sullivan  
**Ombudsman**