

The complaint

Mrs T complains about British Gas Insurance Limited (“British Gas”) for failing to identify developing corrosion to her boiler flue, despite attending recently for a boiler service and inspection. Mrs T wants British Gas to pay for Mrs T’s replacement boiler and to pay her compensation.

What happened

Mrs T had a boiler installed around 2008.

From around 2011, Mrs T had British Gas boiler cover. This provided for repairs to her boiler and flue (under 1m long) and for replacement parts. The cover included an annual service visit from one of British Gas’s engineers.

British Gas attended Mrs T’s home each year, and most recently visited her home in August 2020.

During that visit, the engineer carried out safety tests on her boiler and raised no concerns.

The gas emissions tests on the flue did not reveal any issues and the engineer would have carried out a visual inspection of the flue emerging from the outside wall.

After this visit, Mrs T decided to end her boiler care agreement with British Gas, and to look for an alternative provider.

In early February 2021, Mrs T engaged a heating engineer to attend her home. When the engineer attended, he observed severe corrosion on the external flue and condemned the boiler without even entering the house.

Mrs T complained to British Gas.

She felt that British Gas ought to have noticed this corrosion during its inspection and that she should have been alerted to the risk. She was worried that if the boiler could be condemned from a visual assessment outside, then she may have been exposed to risk of harm.

British Gas sent her its final response letter in April 2021. British Gas did not uphold Mrs T’s complaint. It stated that the corrosion could have deteriorated over the 6 months since the British Gas visit and that the engineer would not have seen the larger hole in the flue as it was hidden inside the wall. British Gas stated that if there had been signs of corrosion the engineer would have pressed on the metal with a screwdriver and, if this was solid, would not have taken further action.

Mrs T was not happy with that response and contacted us.

Our investigator did not uphold the complaint. He noted that British Gas had provided evidence of the gas flue analyser check which showed safe results. He considered that, on

the available evidence, the corrosion could not have been seen and so he did not think that British Gas had done anything wrong.

Mrs T did not accept that view and asked for an ombudsman decision.

I issued a provisional decision in relation to this complaint in January 2022. In that provisional decision I explained that due to the level of corrosion present by February 2021, and because British Gas had acknowledged that some of that corrosion would have been present in August 2020, I considered it likely that the inspection in August 2020 was inadequate. I thought that it had either not included full tests of the flue, these had been deficient, or the engineer had failed to advise Mrs T of a potential problem developing in the flue.

I considered that this had caused Mrs T to be inadequately informed when she then left her cover with British Gas and sought other cover. I thought that British Gas should refund her premium for the year 2020, with interest, and should also pay to her £600 compensation to reflect her distress, inconvenience and loss of opportunity.

That provisional decision has been shared with the parties and they have been invited to comment.

Mrs T has responded, largely accepting the provisional decision. She comments that she believes that British Gas is responsible for the boiler replacement on the basis that if British Gas had identified the corrosion to the flue in August 2020 this could have been mitigated and the boiler breakdown would not have happened.

British Gas has responded disagreeing with my provisional decision. British Gas states that many checks are done which are not individually recorded, and that the checks carried out on the flue resulted in the confirmation that the flue was safe. British Gas points to the engineer's good record and argues that there were no failures.

British Gas disagrees with my comment that annual safety checks are for peace of mind and states that the dominant purpose of the cover is to cover breakdown and repairs.

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 appreciate the comments provided by the parties. These are considered and helpful.

Addressing first British Gas's comments, I understand that not all tests carried out would be recorded and the fact that the screwdriver test is not explicitly recorded does not mean it was not done.

I remain of the view, however, that there was some corrosion present at the time of the inspection, and properly conducted tests ought to have been able to detect this.

I also accept that the annual services and checks do not make any guarantees about the safety of the appliance throughout the following year, but I remain of the view that consumers do gain peace of mind from the checks being carried out. These are, of course, a snapshot and parts could go wrong immediately after the safety check, but the checks do give 'a bill of health' to the appliances at that time.

On that basis, I still consider that there was a failure to identify developing corrosion and to

report this to Mrs T. I think had she been aware of the corrosion, even at a low level, she would have been able to monitor this and to make informed choices about what to do next.

Moving then to Mrs T's comments, I understand the logic by which she considers that the boiler would not have gone wrong at that time if the flue corrosion had been detected earlier. I still do not agree, however.

Boilers have a life expectancy and parts within the boiler will inevitably degrade or breakdown. This is increasingly likely as the boiler ages and is why British Gas limits its offer of boiler replacement to boilers under 10 years.

I appreciate that the flue corrosion was a factor in the boiler breakdown, but I consider it likely that it would have had to have been replaced in the relatively near future in any event. I cannot therefore fairly consider replacement of a 13 year old boiler to be predominantly the fault of British Gas, or something which they should compensate.

Consequently, whilst I appreciate the comments of the parties, I remain of the view expressed in my provisional decision and adopt this, as supplemented by these comments, as my final decision.

My final decision

For the reasons given in my provisional decision and as set out above, I uphold Mrs T's complaint and direct British Gas Insurance Limited to:

- Refund to Mrs T her 2020 premium with interest at a rate of 8% per annum from the date of payment up until settlement; and
- Pay to Mrs T £600 compensation for her distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 29 March 2022.

Laura Garvin-Smith
Ombudsman