

The complaint

Mr P complains about the service he received from British Gas Insurance Limited (British Gas) under his HomeCare policy.

What happened

Mr P says he has held a HomeCare policy with British Gas since 2013, which included the benefit of an annual service.

Unfortunately, in November 2020, although the gas safety certificate was issued Mr P's boiler was deemed unsafe due to the type of flue that was fitted to it. British Gas told Mr P that the flue could be replaced but Mr P would have to pay for the replacement as it incorrectly assumed this was a first visit.

Mr P says British Gas later acknowledged this wasn't a first visit and agreed to replace the flue at no cost to him. British Gas disagreed maintaining that Mr P would need to pay for the replacement flue as this would be considered as upgrade work under his policy.

Mr P says he continued to chase British Gas for a resolution and during these conversations he was told the boiler would need to be replaced as the required part was no longer available.

Mr P didn't agree and complained to British Gas. He said that the boiler had been inspected every year and no previous concerns had been raised so didn't understand why a clean gas safety certificate couldn't be issued on this occasion.

British Gas upheld the complaint and offered compensation of £100. It agreed Mr P had been provided with incorrect information and the visit in November 2020 was incorrectly recorded as a first visit rather than an annual service visit. But even so British Gas maintained that the replacement of the flue would be considered as upgrade work to meet the regulations.

Mr P remained unhappy so referred the complaint to our service. He didn't think the £100 offered was reflective of inconvenience caused to him and he still felt British Gas should have replaced the flue at no cost to him. He said he's now replaced the boiler for the safety of his tenants and so wanted British Gas to reimburse him the cost of the boiler too.

Our investigator looked into the complaint and recommended the complaint be upheld. They didn't think British Gas needed to reimburse Mr P for the new boiler as they thought the policy didn't cover Mr P for upgrades to the boiler. But they did feel that the compensation offered wasn't sufficient and asked British Gas to pay a further £100 in addition to what it had already paid.

British Gas didn't agree and said it felt further compensation wasn't warranted. Mr P also disagreed. He felt the flue should have been covered by the policy and so the repair should have been undertaken at no cost to him, which he says British Gas told him it would do. So the 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.

Having done so, I agree with the conclusions reached by the investigator for largely the same reasons. I'll explain why.

I'm satisfied that British Gas didn't give the correct information to Mr P regarding the visit in November 2020. It was incorrectly logged as a first visit rather than an annual service which meant initial confusing dialogue with Mr P centred around the flue for the boiler not being covered for this reason.

Once this was clarified British Gas still maintained the works wouldn't be covered because it considered the replacement of the flue to be upgrade work. The terms that apply here are set out in the general exclusions of the policy:

" Making any improvements

Your product only includes repairing or replacing your boiler, appliance or system when it stops working properly – it doesn't include any improvements or upgrades..."

Upgrades are defined as:

"improvements that make your boiler, appliance or system safer, or more efficient."

The flue needed to be replaced to meet the regulations and to make it safer, so I think the terms are relevant in the circumstances and I don't think British Gas were unreasonable in applying these terms here.

Mr P has said British Gas said it would replace the flue at no cost to him and he feels this should be honoured, but I haven't seen any persuasive evidence to show me he was told this. I have been provided with some internal notes of conversations with Mr P and some correspondence between him and British Gas. I note in January 2021 Mr P was told the work would be chargeable as British Gas considered this upgrade work, and although I can't be certain what he was told before, I think by this point he would have known the work to the flue wasn't covered under his policy.

It's not disputed that things weren't communicated as well as they should have been during the claim process. British Gas acknowledged it had let Mr P down and upheld his complaint and paid Mr P £100 in compensation for the poor service and the incorrectly logged visit. But I don't think this is fair in the circumstances.

Mr P had to make a number of calls to deal with the issues and also had some cancelled visits. Mr P also wasn't told about the issues with his boiler flue when it was first picked up in 2018. I can see in the notes that the engineer diagnosed the issue in 2018 but nothing was mentioned on the gas safety certificates until November 2020 so I think this would have been a concerning surprise to Mr P when he was eventually told. So I agree that it's fair and reasonable that British Gas compensate Mr P as the investigator suggested by paying an additional £100 in recognition of the inconvenience caused to Mr P.

I appreciate Mr P feels the compensation offered falls short of an acceptable amount and doesn't adequately represent the inconvenience caused to him. I've thought about the time he says he had to spend dealing with British Gas but we look at the overall impact a business's mistake had on the complainant – rather than awarding compensation based on

units of time or at a complainant's hourly rate. I see no reason to depart from that approach in this case. I also don't think it would be fair to ask British Gas to pay for the new boiler as this isn't something his policy covers.

I recognise the experience would have been frustrating for Mr P. But awards for distress and inconvenience from this service are generally modest. It isn't the role of this service to punish businesses. I think the amount mentioned above is fair and in line with amounts awarded by this service for similar cases.

Putting things right

I agree with our investigator that British Gas should pay Mr P an additional £100 for the inconvenience caused to him.

My final decision

For the reasons set out above, I uphold Mr P's complaint.

British Gas Insurance Limited must:

- pay Mr P £100 in additional compensation for the inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 28 March 2022.

Jag Dhuphar
Ombudsman