

The complaint

Ms C's complaint is about the handling of a claim under her central heating insurance policy with British Gas Insurance Limited.

What happened

Ms C's policy includes an annual service of her boiler. She says that during the annual service boiler in September 2020, she told the engineer that her boiler had been losing pressure. The engineer said there was nothing wrong with the boiler but there might be a leak in the central heating pipework. I understand some sealant was added to the system but Ms C says the boiler continued to lose pressure for several months after that. British Gas attended five or six times to try and find the cause of the loss of pressure. On one occasion, the engineer removed part of the bathroom floor to try and find if there was a leak, which Ms C says cost her £370 to have reinstated. A leak was found but this was not the cause of the boiler losing pressure.

Ms C says she was concerned with having people in their home during the pandemic, so decided to just try to keep the boiler going by topping it up whenever the pressure dropped. However, by January 2021, Ms C says the boiler was losing pressure and shutting off several times a day. Ms C therefore booked another appointment for British Gas to come and look at her boiler but she was again told that the engineer could not find any problem with it.

British Gas then arranged an appointment with a specialist leak team but they were unable to attend until 10 February 2021. They said the water pressure switch and an automatic air vent on top of the boiler pump were both faulty. However, when Ms C phoned to see when British Gas could carry out this repair, it told her there was no availability for some time. British Gas therefore authorised Ms C to get her own engineer out to look at the boiler.

Ms C's engineer inspected the boiler and said the heat exchanger was leaking so badly that he had to condemn the boiler straight away, so Ms C was without any heating or hot water. Ms C says she couldn't go to a hotel as they were all shut due to the pandemic and had no option but to get a new boiler installed as soon as possible, as the weather was particularly cold. I understand the new boiler was installed three days later.

Ms C is very unhappy with the handling of the claim. She says none of the British Gas engineers had checked the heat exchanger and if they had, the boiler could have been repaired in September 2019. The temperatures in early 2021 were as low as -9 degrees Celsius and as the boiler kept switching itself off she struggled to keep warm, especially at night and early in the morning. Ms C also says she had to get a boiler that is not big enough for her home, as it was going to take a week longer to get the right one, which means she can only run one hot tap at a time. Ms C asked British Gas to reimburse half the cost of the new boiler (which cost £4,558.80 in total); reimburse the cost of reinstating the bathroom floor; and reimburse the additional electricity costs she incurred in running heaters in her home. Ms C also says that she asked to cancel her policy in February 2021, as she would not need it after the new boiler was installed but British Gas ignored her request.

British Gas accepts that it did not handle the claim as well as it should have and that it should have been able to repair the boiler. It says it apologised for this and offered Ms C £700 compensation, together with £50 to cover the cost of additional use of electricity. It also refunded a £60 excess charge and the premiums of £294.98 taken for the policy year September 2020 to September 2021. However, British Gas doesn't accept that it should pay anything towards the cost of the new boiler as the policy is a repair policy and a payment for the cost of a new boiler is not in its terms and conditions. British Gas says Ms C's boiler was around 15 years old and its engineers had already advised her to replace it in the past due to its age, efficiency and being on a reduced service list. British Gas also questions why Ms C's engineer recommended replacing the boiler rather than replacing the heat exchanger.

Ms C has told us that she received the payments of £60 and £50 but the cheque for the compensation of £700 was made out to her late husband, which she found distressing. I understand British Gas has now re-issued that cheque to Ms C and has made the refund of premiums.

One of our Investigators looked into the matter. She recommended that British Gas should send a written apology to Ms C to acknowledge how distressing this situation was and for the mistake with the cheque and should pay Ms C a further amount to cover 50% of the cost of the new boiler, in addition to the payments already offered. The Investigator put this at £2,294.40 but 50% of the cost of the boiler is £2,279.40.

Ms C has accepted the Investigator's assessment but British Gas does not. As the Investigator has not been able to resolve the complaint, it has been passed 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.

Ms C took out this policy so she would have prompt access to expert gas engineers in the event of her boiler breaking down and so that she would not have to find and arrange her own contractors.

British Gas attended the property at least five times between 29 September 2020 and 26 January 2021 to fix the boiler and failed to identify the problem on any of these occasions. It also lifted the floor in the bathroom unnecessarily. Ms C says none of British Gas's engineers took the cover off to check the heat exchanger, which was where the leak was coming from. If they had done, then it would have been possible to replace the heat exchanger and the boiler would have been repaired.

I have looked at the British Gas's notes of each attendance. The first mention of checking the heat exchanger is on 26 January 2021 and the engineer records that the heat exchanger was fine. British Gas says it would be difficult to spot an internal leak on a heat exchanger.

However, even if I accept that, it seems that the heat exchanger was not checked prior to 26 January 2021 and I have not seen any reasonable explanation as to why not. I also note that the independent engineer checked the heat exchanger and was easily able to see that it was leaking. He said it was leaking so badly the boiler needed to be condemned and switched off as it was not safe to operate.

Although it has said its engineers acted properly, British Gas also accepts that it should have diagnosed the problem with the heat exchanger and been able to repair the boiler. Having considered everything, I am satisfied it is reasonable to expect that British Gas's engineers

should have been able to identify that the heat exchanger was leaking and that was the cause of the loss of pressure. If this had been done in September 2020 then it is more likely the heat exchanger could have been replaced and the boiler fixed.

British Gas has asked why Ms C's engineer didn't replace the heat exchanger but, while I cannot say for certain, it seems likely that the fact the leak was left for a further four or five months would have caused more damage. There is no evidence that the boiler was still reparable in February 2021 and Ms C was advised it needed to be replaced.

Having considered everything, it seems to me that if British Gas had correctly diagnosed the problem with the boiler in September 2020, as it should have, it is unlikely Ms C would have incurred the cost of the replacement boiler in February 2021. Although her boiler was relatively old, it was otherwise fully functional at that time. However, it is also likely that Ms C would have had to replace the boiler at some point in the future. Therefore I agree that a 50% contribution towards the cost of the new boiler is fair and reasonable in all the circumstances of the case, together with interest at our usual rate. I also agree that British Gas should reimburse Ms C the cost of reinstating her bathroom floor. I have not seen an invoice or other evidence of the cost of this. British Gas will be entitled to proof of this cost before making any payment.

British Gas has paid £810 in total as compensation (£700, £50 and £60) and also refunded the policy premiums for the relevant time, in recognition of its failings in dealing with this matter. I consider that this should be slightly increased. I consider the total sum of £950 to be appropriate to reflect the trouble caused, including the fact Ms C had to accommodate several unnecessary attendances by British Gas and her own engineers, including to install the new boiler, during a pandemic; she had to arrange reinstatement of her bathroom floor which shouldn't have been necessary; had the trouble of having to top the boiler up regularly to keep it working, which meant the house was often cold; suffered a few days without any heating or hot water while waiting to have the new boiler installed; had to arrange her own engineer to find the problem and install the boiler; and had to spend considerable time on the phone dealing with British Gas about the matter. Ms C has also said that she has been left with a boiler that isn't sufficient for the size of her home, as she had little choice given the extreme weather at the time.

I don't intend to direct British Gas to issue any further apology to Ms C regarding its handling of the matter, including issuing a cheque in her late husband's name. Even though I consider an apology is warranted, a forced apology would have no meaning.

My final decision

I uphold this complaint against British Gas Insurance Limited and require it to pay Ms C:

1. the sum of £2,279.40 towards the cost of the new boiler, together with interest at 8% simple per annum, from the date she paid her engineer to replace the boiler to the date of reimbursement;
2. the cost of reinstating the bathroom floor, on production of suitable evidence of that cost, together with interest at 8% simple per annum, from the date she paid for this to the date of reimbursement;
3. the total sum of £950 compensation for the distress and inconvenience caused by its handling of this claim. (This is to include the £810 already offered, so British Gas has already paid that it only needs to now pay the difference of £140.)

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 21 June 2022.

Harriet McCarthy
Ombudsman