

The complaint

Mr U complains that British Gas Insurance Limited (BG) hasn't maintained his heating system causing it to break down, despite having paid for a power flush and having home emergency cover with it.

What happened

Mr U has HomeCare 4 with BG, which provides insurance cover for his boiler and heating system, along with kitchen appliance and home electrics cover. The policy includes an annual boiler service.

In 2011, Mr U paid £592 for a power flush on the advice of BG. BG provided the service with a lifetime guarantee as part of the homecare cover. Mr U called BG out on many occasions during the years after the flush because his radiators weren't working, and he said he was without hot water. BG attended and tried various repairs, but repeatedly said the pipework was faulty and needed replacing. This service was not covered under Mr U's insurance policy.

Mr U complained to BG because he'd paid for the power flush with a lifetime guarantee, but was now told it couldn't fix his heating system. BG offered Mr U a refund of the cost of the flush, but he refused because the replacement pipework would cost a lot more. He thought BG should refund to him the monthly payments he'd made over the previous 11 years.

In addition to this, Mr U complained about the delays visiting his home, the customer service provided by BG, and the increase in his energy bill because he relied on electric heaters.

Our investigator partly upheld Mr U's complaint. She said BG should refund the cost of the power flush and pay Mr U £150 compensation for the distress and inconvenience caused by the delays dealing with his claims for his broken heating system. She also said BG should investigate again Mr U's complaint about its engineers. However, our investigator didn't think the evidence supported Mr U's complaint that BG failed to provide the service he paid for or that it was at fault for the breakdown of the heating system.

BG accepted the proposal to pay £150 compensation and confirmed that it had already offered a refund of the power flush cost. But it didn't think there was any benefit in reinvestigating issues it had already looked into.

Mr U didn't agree with our investigator's recommendations. He repeated his complaint that BG hadn't provided the service he paid for, and he questioned why BG continued to take payment for his policy despite knowing it couldn't fix his heating system. Mr U asked again for a refund of all his policy payments.

I issued a provisional decision in May 2022 explaining that I was intending to partly uphold Mr U's complaint. Here's what I said:

provisional findings

My role here is to decide whether BG treated Mr U fairly when it handled his claims for repairs under the insurance policy. There's a lot of information available to me: I won't comment on each piece and our rules don't require me to. Instead I'll look at the overall claim and reference the evidence which best explains the reasons for my provisional decision.

Heating system repairs

Mr U complains that BG failed to repair and maintain his heating system after paying for a power flush with a lifetime guarantee. BG says the issues were caused by an installation fault, which wasn't covered under the policy. It offered Mr U a refund of his power flush payment.

There's no dispute that BG completed the flush in 2011 and that it came with a lifetime guarantee. However, the guarantee was only for the services covered under Mr U's policy. I've looked at the expert evidence provided by BG, which says the plastic pipes used during installation caused corrosion leading to failure of the radiators and pumps.

In the absence of any conflicting evidence, I'm persuaded by BG's explanation for the fault. Turning to the policy, it says:

Pre-existing faults

Your products don't include cover for any faults or design faults that:

- were already there when your boiler, appliance or system was installed;*
- existed when you first took out the product;*
- we've told you about before and you haven't fixed, or, if the work has been completed by a third party, where work, in our opinion, has not been completed to a satisfactory standard;*
- we couldn't reasonably have been expected to know about before, for example, faulty pipes that don't have the correct protection, or which are buried under concrete floors; or*
- prevent access because a part of your system has been permanently built over*

As the heating system installation was carried out before BG completed the power flush, I'm satisfied that cover is excluded under this pre-existing fault condition.

This means the power flush would never have achieved what BG guaranteed, so I think it was fair and reasonable for BG to offer a refund. Although Mr U declined when BG first offered, I think it's fair to repeat that offer.

To be clear, though, I don't consider this as evidence of BG failing to provide the service Mr U paid for. I've looked at the records of BG's visits to Mr U's home. It tried to repair his heating system, and it advised Mr U on several occasions of the need to replace the pipes. I see BG even quoted to do the work in 2018, but Mr U didn't accept. Given that BG had made Mr U aware of the repairs needed, I can't reasonably hold BG responsible for the continued breakdown of Mr U's heating system.

Ongoing payment

Mr U says that BG shouldn't have continued to take monthly insurance payments from him, knowing it couldn't repair his heating system, BG says the policy provided cover for more than just the heating, and Mr U was free to amend his cover at any time.

I've looked at the policy Mr U bought and see it included cover for his boiler, controls and central heating, annual service, repairs to plumbing, drains and home electrics, and kitchen appliances. Again, looking at the record of visits to Mr U's home, I see that he used the service on several occasions under other parts of the cover, such as internal and external lighting, and shower electrics. Therefore, I can't reasonably say BG didn't provide the service he paid for.

For that reason, I won't be asking BG to refund the monthly payments to Mr U.

Customer service

Mr U complained that BG didn't attend an 8am appointment; it delayed carrying out power flushes; its engineers were rude; they broke his timer switch, and BG has caused him to incur higher energy costs. BG agreed there were some service shortfalls and accepted our investigator's proposal to pay Mr U £150 compensation. But it didn't think there was any evidence that its engineers had acted inappropriately or caused damage.

I've looked at the evidence regarding the appointment and see that BG offered Mr U an appointment between 8am and 6pm. While I accept Mr U may have understood that to be a firm 8am appointment, I don't think BG did anything wrong offering an appointment window.

BG looked into the behaviour of its engineers but didn't find any evidence of poor service. Taking one example, Mr U said one engineer told him to move to a new house and leave the heating faults to someone else to deal with. While I think it's more likely than not that any such comment would've been made in humour, I accept Mr U didn't find it appropriate. Clearly, there's no evidence of this being said, and the same is true of the other issues Mr U reported, but I have no reason to doubt his recollection. However, there seems little benefit in asking BG to reinvestigate his complaints about its engineers because there's no new evidence to consider. BG has agreed to pay £150 compensation for service shortfalls, and I'm satisfied that's a reasonable sum in the circumstances. I won't be asking BG to pay any more than that.

Additional energy charges

Finally, I note Mr U said he's paying more for his electricity because of his reliance on electric heaters. He also complains that BG increased his tariff. To be clear, British Gas Insurance Limited isn't responsible for the energy tariff Mr U pays. That is set by a separate energy company. While his overall electricity bill may have increased due to his use of electric heaters, I can't hold BG responsible for that. That's because it told Mr U what he needed to do to repair his heating system, and he hasn't arranged for the replacement pipes.

Overall, the evidence suggests that BG tried to repair Mr U's system under his homecare policy, but a pre-existing fault limited the cover available to him. I'm satisfied that BG advised Mr U of the repairs needed and continued to provide the service for the remaining parts of the policy he paid for. BG made a fair offer to refund the power flush payment, even though it carried out the flush in good faith. But, in respect of the delays, and distress Mr U experienced when dealing with its engineers, I'm minded to require BG to pay £150 compensation.

I said I was intending to require British Gas Insurance Limited to:

- refund to Mr U his payment of £592 for the power flush, as previously offered, and
- pay compensation of £150 to Mr U for the delays, and the distress he experienced during its engineers' visits.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

While Mr U was disappointed, he accepted my provisional decision. BG didn't have anything further to add.

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.

As both parties accepted my provisional decision, and neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings. So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

For the reasons I've explained above, and in my provisional decision, I uphold in part Mr U's complaint and British Gas Insurance Limited must:

- refund to Mr U his payment of £592 for the power flush, as previously offered, and
- pay compensation of £150 to Mr U for the delays, and the distress he experienced during its engineers' visits.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 21 July 2022.

Debra Vaughan
Ombudsman