

The complaint

Mr F and Mrs F complain about British Gas Services Limited ("British Gas") because they think that they did not receive the benefit of cover for around 2 years. They want a refund of their premiums and compensation for their distress and inconvenience.

What happened

Mr F and Mrs F had a boiler which was installed in the early part of the 2000s. They had a homecare agreement with British Gas which provided for an annual service, and cover for breakdowns and repairs.

In 2018, British Gas carried out the annual service of Mr F and Mrs F's boiler and noted a split in the flue. The replacement part was no longer available due to the boiler's age.

The engineer appears to have carried out a repair to the flue using metallic tape to seal the flue but placed the boiler at risk. He placed an 'at risk' sticker on the boiler and advised Mr F and Mrs F that they would need to seek a replacement part themselves or consider replacing their boiler.

British Gas then sent annual renewal information to Mr and Mrs F. This detailed that parts for their boiler were no longer easy to source. The renewal letters explained that this meant that if the boiler broke down then British Gas would still attempt to repair the boiler, but if it was not repairable then British Gas would cancel the policy and refund their premiums back to their last renewal or to their last successful repair.

Mr F and Mrs F continued using their boiler and renewed their homecare policy.

In October 2020, British Gas carried out its annual service, but the engineer who then attended considered the boiler was an immediate danger and capped it off.

Mr F and Mrs F then ordered a replacement boiler from British Gas and this was installed around 3 weeks later.

Mr F and Mrs F complained to British Gas. They felt that, because it would not have been possible to source replacement parts for their boiler, they had paid premiums for a service they could not have used. They therefore wanted their premiums to be refunded back to the 2018 visit, when the boiler was marked 'at risk'.

After a delayed complaint process, British Gas did not uphold their complaint. It stated that some parts of the boiler would have continued to be available and so repairs could have taken place. British Gas therefore thought that the policy had provided cover. British Gas acknowledged failings in its complaint handling, however, and offered Mr F and Mrs F £150 to reflect these, along with a partial refund of cover for the period when they did not have a working boiler.

Mr F and Mrs F were not happy with this and contacted us.

Our investigator thought that their complaint should be upheld. They thought that British Gas had not provided meaningful cover after the time when it was unable to replace the flue. They recommended that British Gas refund the premiums and pay compensation.

British Gas did not accept that view and asked for an ombudsman decision.

I issued a provisional decision in respect of this complaint in June 2022. In that decision I set out that I did not consider that British Gas had done anything substantially wrong and I provisionally did not uphold the complaint. That provisional decision has been shared with the parties and they have been invited to comment.

Mr F and Mrs F made some further comments, setting out that they had not been made aware at the 2018 visit that some boiler parts were no longer available and they say that they were not advised of this in their renewal letters. They indicated that they do not think that the compensation offered in respect of complaint handling was sufficient, and they think that as they were not aware which parts for the boiler were still made they do not think they could have made an informed decision to remain on cover.

We have sought further evidence from British Gas, including copies of the renewal letters which include the warning about parts availability. Those copies were then shared with Mr F and Mrs F.

Mr F and Mrs F have not added any further comments.

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 have considered the additional evidence provided, and the comments and arguments provided by Mr F and Mrs F and these do not alter my view.

I appreciate that Mr F and Mrs F do not feel like enough was done to draw their attention to the fact that their boiler was becoming obsolete, but I consider that it is likely that British Gas did inform them of this. I have borne in mind that the boiler had a sticker placed on it in 2018, indicating that it was at risk. I think this supports that a discussion took place about what was wrong with the boiler, and why it was 'at risk' rather than repaired with a new part at that time.

I also consider that the renewal letters do include the parts warning, and this is given due prominence in the letters. I accept that Mr F and Mrs F did not receive and absorb the information, but I think it likely that these letters were sent.

Mr F and Mrs F feel that they could not make an informed decision about continuing their policy without knowing which parts were still available and which parts were not. I do not agree and I think that this is adequately addressed by British Gas' policy that if a repair is not possible then cover will be refunded back to the last repair or renewal. I think that this offers some peace of mind that the cover will either be of benefit, or it will not be paid for if the boiler breaks. I would not expect British Gas to keep a running commentary of which parts were available, and I do not think this information would be useful to most consumers in any event.

In respect of Mr F and Mrs F's feelings that £150 compensation does not reflect the failings in the complaint handling process, I should clarify that complaint handling is not a distinct regulated activity and so we do not make awards for complaint handling issues when these

are the only failings upheld. I am, however, pleased that British Gas made an offer of compensation to reflect the impact that Mr F and Mrs F experienced during the complaint handling delays and I think this is appropriate. Whilst we would not award compensation for this issue alone, I note that £150 is in line with our usual approach to the inconvenience suffered by Mr F and Mrs F.

I understand Mr F and Mrs F's view, but my view remains unchanged from my provisional decision and I do not uphold Mr F and Mrs F's complaint. I appreciate that this will be disappointing to them, but I hope this makes clear why I have reached this decision.

My final decision

For the reasons given above, and in my provisional decision, I do not uphold Mr F and Mrs F's complaint and I do not ask British Gas Services Limited to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 19 August 2022.

Laura Garvin-Smith
Ombudsman