

The complaint

Mr L complains about British Gas Insurance Limited (BG) who declined to carry out any further work under his home emergency policy.

What happened

Mr L held a BG home emergency policy for over 30 years. In May 2021, Mr L booked to have an annual service. In preparation for the service Mr L decided to turn on the heating system and found that one of the radiators wasn't warming up as it should. The engineer who attended diagnosed a faulty valve and told Mr L that a replacement would be ordered.

Mr L contacted BG when he hadn't heard anything, once it had been established that there had been no record of any replacement part being ordered. It sent another engineer, who diagnosed that there was a blockage in the pipe that fed the radiator. The engineer told Mr L that blockages weren't covered under the policy. And if he wished to, Mr L could pay privately for the blockage to be dealt with. A little later BG sent a quote to Mr L, which prompted him to look at the policy terms and conditions.

Mr L contacted BG as he believed that it had interpreted the policy wording incorrectly, as he felt that BG hadn't previously told him about any issue before, that required repairing, improvements or a power flush. So, Mr L raised a complaint.

In its final response, BG said that it had acted in line with the policy terms and conditions. In that, it asserted that Mr L had been advised previously, that there was chargeable work. Namely blockages/debris in the system that would need to be removed before BG was able to carry out any further work under the policy. It also said that there had been delays in corresponding to his complaint and for the inconvenience caused, it offered and paid £30 compensation.

Mr L was given his referral rights and he referred a complaint to our service. One of our investigators considered the complaint and didn't think it should be upheld. Her view was that BG had correctly applied the terms and conditions of the policy. She said that from the evidence, there were previous occasions where BG had advised Mr L that his system would need a power flush and no evidence to show that Mr L had acted on this advice. She explained that on her review of the service that BG had provided to Mr L, this fell well below its usual standard and for this, she recommended BG pay Mr L a further £75 compensation for the delay, misinformation and inconvenience caused.

BG accepted the view, Mr L did not. He maintained that BG had never advised him to carry out additional work to retain full cover. If it had, he would have done so as he has previously acted on other work that BG advised him to carry out. So, he asked for a decision from an ombudsman.

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 considered the complaint and I thought the complaint should be upheld. I issued a provisional decision on 28 June 2022 and asked both parties to send me anything else by 26 July 2022. In my provisional decision I said:

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of the complaint.

Having done so, I intend to uphold this complaint and I hope my findings go some way in explaining why I've reached this decision.

I note that Mr L has made a number of detailed points, which I have read and considered. I hope the fact that I don't respond in similar detail here won't be taken as a discourtesy. As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it isn't necessary for me to respond to every point made, but to concentrate on the nub of the issue.

The basis of Mr L's complaint, is that BG failed to inform him previously that he would need to carry out work on his system, in order to maintain cover. So, I've taken this as the starting point in my assessment which is based on all the evidence that I have been provided with.

I have looked at the policy terms and conditions to see what BG was required to do under the policy. The policy provides that: 'Where we've told you that an improvement is necessary, we may not continue to make repairs on that part of your boiler, appliance or system unless the work has been carried out.' So, the first obligation is for BG to have told Mr L something about his system that was required to be fixed or treated before BG were able to continue to maintain the cover.

Mr L said that at no time was he informed by BG that unless he carried out additional work on his system, the cover would be restricted. And he supports this with his previous actions, in that when BG told him to carry out work, he had done so. For example, installing a filter.

Where there is a dispute, we look at the evidence to see what is persuasive on the balance of probabilities. In this complaint the best evidence that I have, is from the checklists and contact notes. The checklists are the forms that are left with the customer following a visit from an engineer. The engineer is tasked to take a contemporaneous note of what he did and what he saw and advised when he visited.

Mr L was asked to provide copies of any checklists that he was given by any of the engineers who attended his home. Mr L provided three checklists.

BG provided notes going back to 2016. It said these notes detailed what was done on the visit and what was advised. Having reviewed those notes and the checklists. I have read that in 2019, Mr L was advised that a power flush was needed for his system. But apart from that, there is no other information contained on the checklist or contact notes that confirms that Mr L was advised/told that cover would be restricted unless he carried out the power flush.

In addition, BG said that Mr L system wasn't a system that a power flush could be carried out on. It's senior engineer said: 'So the system is microbore therefore we cannot get enough water through this small bore pipe to effectively flush it correctly so giving this advice would be poor, the engineer who recommended this in 2019 should not have done so was a

mistake on his behalf. From this evidence, I think that BG would not have been able to carry out a power flush on a system that could never have a power flush completed on it. So, I've looked to see if Mr L was advised by BG to undertake alternative work such as replacing pipework to remove the blockage. But I can't see that any alternative work advice, was given to Mr L either.

I also asked BG specifically, if it could provide any evidence to show that it had advised Mr L to carry out a different method of work to remove the blockage. BG did not respond to this request.

Consequently, as the policy provides that BG has to have told Mr L to carry out remedial work on his system, so that cover is not restricted, I can't agree that BG had specifically told Mr L to carry out additional work (suitable for his system). And I can't agree that BG told Mr L that cover would be restricted if he didn't complete the work.

Further, I don't think it's fair or reasonable for BG to maintain that it had told Mr L that remedial work such as a power flush had to be carried out, when the job was work that could never have been carried out on Mr L's system, in the first place. But, if BG are able to provide evidence to show that it did tell Mr L that additional work was required, then I will consider it.

I have next considered the entries on the contact notes that Mr L 'declined a system upgrade'. These entries do not correspond with the job history provided. Nor has BG given me any further details about what the declined system upgrade relates to. So again, it is difficult to agree that the declining of a system upgrade amounts to BG having told Mr L that cover would be restricted, if he didn't carry out additional work.

I accept that the policy doesn't provide cover for damage caused by debris in the system: "What's not covered: Damage caused by limescale, sludge or other debris, if we've told you before that you need to carry out repairs, improvements or a British Gas Power flush, or a similar process, but you haven't done so." However, the term is in two parts. The first confirms that blockages aren't covered, but the second confirms that BG has to have told the customer that work would need to be conducted before cover is maintained. I have not seen any evidence to support that BG had told Mr L that his cover would be restricted. So, I don't think BG has complied with the second part of the term.

Finally, I asked Mr L what he would have done had he been advised by BG that his cover would be restricted if work wasn't carried out as BG had specified. He said that he would've either moved his policy to a lower priced plan within BG, that covered his boiler rather than the entire system. Or that he would have discussed this fully with BG and decide if he ought to replace the entire system or repair the damaged part – either with BG or another provider. So, I'm persuaded that had BG told Mr L that cover would've been restricted, then Mr L would have done something about it.

Taking all of this into consideration, I don't think BG told Mr L that his cover would be restricted, if he didn't follow its recommendation. I also think that BG had incorrectly advised Mr L of work that could never have been carried out by on his system. So, to put matters right, I intend to ask BG to reassess its decision, in line with the terms and conditions of the policy, such as replacing the blocked pipe. I also think that the decision would've provided Mr L with a level of inconvenience, which BG should recognise. I think it's fair for BG to pay £100 compensation, for the trouble and upset caused.

Responses to my provisional decision

Mr L said that he was very pleased, grateful and relieved with the provisional decision. He felt that it correctly identified the main issue which was whether or not BG had clearly told him that a problem needed to be addressed, in order to maintain cover.

BG said that it wasn't sure what other advice it could give. It accepted that Mr L had previously followed its advice to add a filter. It also said that in 2019 it advised a power flush. But accepted that the power flush was a procedure that could not have been carried out on Mr L's system. It also said that sludge in the system would not be covered.

Whilst I accept that sludge in a system would not be covered under the policy terms, the terms also said that BG has to have told the customer that work would need to be conducted, otherwise cover would not be maintained. BG haven't provided evidence to show that it told Mr L that his cover would be restricted.

In addition, the power flush that it recommended was a procedure that BG confirmed that Mr L's system would never have been able to have been carried out. And I haven't seen any evidence from BG that it told Mr L what could be carried out on his system to ensure cover was maintained. So, I'm satisfied that BG hasn't complied with the policy terms.

Putting things right

Taking all of this into consideration and to put matters right, BG should reassess its decision, in line with the terms and conditions of the policy, such as replacing the blocked pipe. BG should contact Mr L to arrange for this work to be carried out. I also think that Mr L would have suffered with a level of inconvenience, which BG should recognise. I think it's fair for BG to pay £100 compensation, for the trouble and upset caused.

My final decision

My final decision is that I uphold this complaint.

British Gas Insurance Limited to reconsider its decision in line with the policy terms and conditions and to replace the blocked pipe and it should contact Mr L to arrange for this work to be carried out.

British Gas Insurance Limited should pay Mr L £100 compensation for the trouble and upset caused.

British Gas Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr L accepts my final decision. If it pays later than this it must also pay interest on the amounts from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 29 August 2022.

Ayisha Savage
Ombudsman