

The complaint

Mrs M complains British Gas Insurance Limited (British Gas) poorly handled her claim on her home emergency policy.

What happened

Mrs M had a HomeCare home emergency insurance policy with British Gas. In November 2020 she contacted British Gas to arrange a service appointment because the downstairs heating had stopped working properly.

It took almost two months for an engineer to attend to service the boiler. And a number of appointments before the heating was repaired and restored in February 2021.

Soon after it was repaired, the boiler stopped working correctly again and Mrs M's home was left without hot water and heating. Mrs M contacted British Gas on 15 February 2021 and the first appointment that was available was 23 February 2021. This appointment was booked but the engineer didn't turn up as expected. The next available appointment for British Gas to attend was 8 March 2021.

British Gas have a contingency scheme, and this allows for a policy holder to arrange for an independent *Gas Safe* registered engineer to come out if it is unable to attend within four days. As Mrs M was unable to book an appointment with British Gas for more than two weeks, she organised for an independent *Gas Safe* engineer to attend to look at the boiler on 1 March 2021.

The engineer appointed by Mrs M found there was a problem with the heat exchanger in the boiler. The boiler was also classed as dangerous and the engineer disconnected the gas supply to it. The engineer said he could not guarantee that by replacing the heat exchanger the boiler would not break down again and it was recommended that a new boiler was installed.

After some thought, Mrs M agreed to the engineer fitting a new boiler on 5 March 2021. Mrs M submitted the invoice for the cost of this to British Gas and made a complaint about the poor service she had received.

British Gas declined to pay for the new boiler because it said it did not need to be replaced. It offered £750 as the expected replacement cost for the boiler heat exchanger and also offered £100 as compensation for the poor service she had received.

As Mrs M was not happy with British Gas, she brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and recommended that British Gas increase its compensation to £300. And they said on receipt of an itemised quote, British Gas should reimburse Mrs M the cost the independent engineer would have charged to replace the heat exchanger rather than use its own repair estimate of £750.

British Gas agreed to the compensation but was unhappy with the recommendation for reimbursement for repair. Mrs M was unhappy with the offer to pay only for repairs and not the full boiler replacement cost.

As both British Gas and Mrs M are unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

In my provisional decision I said

It is stated on the British Gas website; "If you find yourself without heating or hot water and we're not able to help you within four days, you can find a local Gas Safe registered engineer and we'll reimburse you."

Therefore it is clear that Mrs M was entitled to engage the independent Gas Safe registered engineer as British Gas were unable to attend for more than four days.

The independent engineer attended on 1 March 2021. In his job report it says; "Noisy heat exchanger since power flush by British Gas". It included a number of images of the inside of the boiler. I saw no recommendations in this job report.

In addition an escape of gas was found on the boiler. And the gas supply to the boiler was disconnected as this was found to be dangerous. A gas warning advice notice was produced, which said the boiler had been classified as; "Immediately dangerous (An appliance, which left connected to a gas supply is a immediate danger to life or property)" It said "Burner door and burner seals have failed".

Mrs M said the independent engineer did not have the required parts available to change the heat exchanger and they would need to be ordered. She said she was told by the engineer if the heat exchanger was fitted it wasn't guaranteed to resolve the issue or for it not to break again. He recommended a new boiler.

Mrs M said she was not looking for a new boiler and if there had been time to research what was available, she would have ideally looked at other greener options. Mrs M said she called round for a number of quotes. This included British Gas, but she was unable to get through. The independent engineer did not quote initially.

As the house had already been without heating for two weeks, and due to the winter temperatures being below zero, Mrs M made the choice of getting a new boiler fitted instead of spending more time without heating/hot water.

This was installed by the independent engineer on 5 March 2021.

Mrs M believed she was covered for this because of the information on the British Gas website that said; "If you find yourself without heating or hot water and we're not able to help you within 4 days, you can find a local Gas Safe registered engineer and we'll reimburse you".

Included on the same notice I found it says;

"Please note:

We can only reimburse you for work that is covered by the Terms and Conditions of the active cover you have with us. You can find these on the policy documents we sent you or in your online account".

I saw in the terms and conditions of the policy it says;

"What's Included

A replacement for your boiler if we can't repair it and:

- it's less than seven years old; or
- it's between seven and ten years old, we installed it and it's been continuously covered by us under either a warranty or HomeCare product".

British Gas agree that Mrs M was covered to engage a third-party engineer as it had been unable to attend within four days. But it said this was to complete repairs and not to exchange the boiler.

British Gas said Mrs M should have contacted it to confirm if a new boiler would be covered under the terms of her policy, before progressing with a replacement boiler. But Mrs M said due to previous lack of contact from British Gas and the inability to get through on the phone, she progressed with the replacement boiler.

British Gas said the boiler was repairable if the heat exchanger was replaced. It said, "The third party described the fault as a noisy heat exchanger and that's where I got the diagnosis from". It said the parts needed were available on a 24-hour turnaround from most merchants. It did not inspect the boiler as it had already been replaced.

British Gas said it had not considered the gas safe warning notice when making its decision, because it had not seen it until our investigations brought it to its attention. It said taking this on board it may have increased its offer to £825 but it still maintained it would have repaired the boiler. It said it did not agree with the diagnosis from the independent engineer and their decision to disconnect the appliance.

I agree the choice to install a new boiler was Mrs M's decision and it may have been possible to repair it with a new heat exchanger and also new door and seals.

I think it is reasonable to accept that Mrs M made her decision to have the boiler replaced in good faith. Her decision was based on the information given by the independent engineer and the necessity to restore heating and hot water in the freezing weather. That it was an independent engineer, and not a British Gas engineer, was due to British Gas not being able to attend.

As British Gas did not attend and carry out an inspection of Ms M's boiler, I do not think it can dispute the independent engineers gas safety report. I do not think it can say with certainty that Mrs M's boiler was repairable or not.

If British Gas had found the boiler needed replacing it would have been covered under the terms of the policy.

There is no certainty if British Gas would have repaired or replaced the boiler if it had attended itself. Therefore, I think the most reasonable solution in this case is for British Gas to cover half the cost for the supply and installation of the new boiler.

Therefore, I intend to uphold Mrs M's complaint and intend to require British Gas to reimburse Mrs M half the cost of the supply and installation of the boiler, the independent engineers initial call out charge, plus £300 compensation for the distress and inconvenience caused.

Responses to my provisional decision

Mrs M responded to say she would accept my decision.

British Gas responded to say:

- There is no guarantee that replacing one part of the boiler could then lead to a component failure of a different part. And Mrs M opted to replace the appliance, despite being given an option of a repair.
- It disputed the point that it could not say with certainty that Mrs M's boiler was repairable or not. It said all parts are available for the boiler and it was under seven years old, so it could be repaired. And the third-party engineer had provided poor advice. None of its engineers had recommended a new boiler from its previous visit reports.
- It believed it had been fair and reasonable by offering to cover £825 towards the cost of a repair and an additional £200 goodwill gesture.

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.

In response to British Gas:

- I agree it was Mrs M's choice to replace her boiler. Her decision was based on the information provided to her by the engineer she had engaged with because British Gas were unable to attend itself and advise her. I think Mrs M acted in good faith with the information she had been provided. If British Gas had attended as per the terms of her policy and given different advice, I have no reason to believe Mrs M would not have taken that.
- Although the spare parts may have been available, British Gas did not inspect the boiler and therefore I maintain my decision regarding no certainty if it the boiler was repairable or not.
- I have taken into consideration that Mrs M made the decision to have her boiler replaced. For that reason I did not think it fair for British Gas to pay all the cost of the new boiler.

I do not think that British Gas have brought any new information that I have not already considered in my provisional decision. Based on the evidence I've reviewed I maintain my provisional decision for the same reasons I have given, and I uphold Mrs M's complaint.

My final decision

For the reasons I have given I uphold this complaint.

I require British Gas Insurance Limited to;

- pay the half the cost of supply and installation of the boiler.
- Pay the independent engineers call out charge of £114.
- Pay £300 compensation for the distress and inconvenience caused.

Any amounts already paid should be deducted from the total amount payable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 14 September 2022.

Sally-Ann Harding
Ombudsman