

The complaint

Mr S complains British Gas Insurance Limited failed to carry out repairs to his hot water system under his homecare insurance policy.

What happened

The background to the complaint is known to all parties, so I won't repeat it here. In my decision I'll mainly focus on giving the reasons for reaching the outcome I have.

Mr S says his hot water system isn't producing enough hot water which he thinks is due to its age and efficiency. He says the cylinder, amongst other things, needs replacing with a new, larger one, to improve efficiency. He thinks British Gas should cover this under the policy.

British Gas say they attended Mr S's home several times and found no fault with the hot water system after testing it. Rather, Mr S needed to change the way he was operating the system – by turning the hot water on sooner than he has been before use. And if Mr S wanted to upgrade parts of his system, this was excluded from cover.

Mr S didn't agree and complained. He says he's a vulnerable person, with health and wellbeing conditions, and relies on having hot water, but not enough is being produced. And British Gas have failed to help him under the policy. Mr S also provided a report from his own engineer which he says supports his views that the policy should respond.

British Gas responded to the complaint in April 2022. They paid Mr S £70 compensation for some service issues but maintained the policy didn't respond to the circumstances he reported. So, Mr S approached our service.

Our investigator recommended the complaint be partially upheld. She thought British Gas assessed Mr S's concerns fairly and didn't think the policy should have responded. She did, however, recommend British Gas pays Mr S a further £50 compensation to recognise the poor service – such as the broken appointments and failing to call him back despite promising to.

Mr S didn't agree, so the case was passed to me to decide.

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.

Mr S made many points in relation to this matter – I haven't addressed each and every one. We're an informal service and so focus on what we consider to be the pertinent points.

What's clear is Mr S's system isn't producing as much hot water as he'd like it to – and hasn't been for some time. And I know this has been a very frustrating and distressing time for him – particularly given his health.

The question to answer here is whether British Gas treated Mr S fairly or should they have

replaced and repaired parts under the policy. To answer this question, I've considered what British Gas, Mr S, and his own engineer has said.

British Gas say no faults were found when assessing and testing the system during visits. Rather, Mr S needed to turn on the hot water sooner than he was to allow it to heat up. As failing to operate it properly would result in the hot water being diluted with cold.

Mr S doesn't think this is an appropriate solution given the rise in the cost of energy, and his system continues to produce less hot water despite carrying this out. His own engineer also didn't agree with British Gas when saying there was nothing that could be done by them to improve the amount of hot water Mr S is getting. Their opinion is the old unvented cylinder should be replaced with a larger, vented cylinder, as this will produce more water. They also commented on the boiler and said it's very old and inefficient and, if replaced under the policy, this would significantly improve the heating and hot water systems.

I do understand why Mr S thinks British Gas should undertake these works to improve his old system, to a newer, more efficient system. That said, I must also consider what the policy terms say, which I'll now refer to:

'General conditions

Making any improvements

*Your **Product** only includes **repairing** or **replacing** your boiler, appliance or system when it stops working properly – it doesn't include any improvements or **upgrades**...*

The policy goes on to define an upgrade as, *'improvements that make your boiler, appliance or system safer, and more efficient.'*

I accept Mr S is telling us his system isn't working as he'd like it to, and parts need to be replaced and repaired. But what I think his own engineer is recommending here is for old, less-efficient parts of the system to be upgraded to new, more efficient parts, such as the cylinder and a new boiler. But that's not how an insurance policy works – an insurance policy provides cover for risks, not certainties. Parts of the system becoming less efficient due to age isn't something an insurance policy such as this one is designed to cover.

After reporting these concerns, British Gas attended (including a visit from a manager – as requested by Mr S), investigated the matter, and found there to be no faults following tests. That's how the policy is designed to respond initially, for engineers to assess the situation. And I wouldn't expect an insurer to carry out repairs after finding no faults, or other works to improve its efficiency because the policy specifically excludes this.

So, in answering the question above, I find that British Gas handled matters reasonably. I say this because Mr S is requesting British Gas upgrades his system, which in my view is supported by his own engineer's comments, and isn't covered by the policy.

I note Mr S's own engineer commented that the cylinder showed signs of corrosion and could potentially be dangerous. Corrosion is something I'd expect to have occurred gradually over time which the policy specifically excludes. So, I wouldn't expect the policy to respond in this case either. As such, I won't be requiring British Gas to do anything in respect of the claim.

So, whilst I don't think British Gas handled Mr S's concerns regarding the hot water system unfairly, there were some service issues – such as broken appointments and Mr S wasn't called back when promised. I've considered the service aspects, and I'm satisfied our investigator recognised the initial £70 compensation amount British Gas offered wasn't fair. I also think a further £50 compensation to recognise that things should have been handled much better, and the impact of this on Mr S, to be fair, reasonable, and proportionate. So, I'll be requiring British Gas to pay this to Mr S.

I appreciate my decision will come as a disappointment to Mr S. But my decision ends what we – in attempting to resolve Mr S's dispute with British Gas – can do for him.

Putting things right

British Gas Insurance Limited must now pay Mr S a further £50 compensation, in addition to the £70 already paid.

My final decision

It's my final decision that I uphold the complaint. British Gas Insurance Limited must now pay Mr S £50 compensation for any distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 December 2022.

Liam Hickey
Ombudsman