

The complaint

Mrs L complains about her home emergency policy with British Gas Services Limited (British Gas). The complaint is about how British Gas responded to a problem with her boiler.

References to British Gas in this decision include their agents who provide services under the policy.

This decision only covers the breakdown of Mrs L's boiler in October 2021 and the issues about the breakdown raised in Mrs L's complaint to British Gas, their final response in November 2021 and her complaint to this service this service in December 2021.

What happened

In October 2021 Mrs L returned home in the evening to find her central heating boiler wouldn't work. She contacted British Gas, who arranged for an engineer to come out two days later, in the morning. However, the appointment was cancelled early on the morning of the day of the appointment, but Mrs L was told an engineer would call the following morning. However, Mrs L received a call from British Gas the following morning, again cancelling the appointment. She challenged this, saying she'd been without heating (or hot water) for three days. British Gas then said they'd send an engineer the same afternoon.

However, when the engineer inspected the boiler, he said the parts needed to fix the boiler were obsolete (and had been for two years) so Mrs L would need to replace her boiler. Mrs L was unhappy at what she'd been told, as she'd had the boiler serviced in November 2020 and this wasn't mentioned. Had it been, she would have replaced the boiler. Mrs L then had the boiler replaced, but because of the time needed to do this, she was without heating or hot water for three weeks.

Unhappy at what had happened, Mrs L complained to British Gas. In their final response British Gas said they'd reviewed the case and concluded a slow leak on the boiler had caused it to stop working. They also said the leak wasn't – as Mrs L had suggested - the result of previous work on a valve and expansion vessel. Visits since the annual service in November 2020 had been for external faults (so the engineers hadn't checked inside the boiler). However, they acknowledged the time Mrs L waited for an engineer to visit (after the boiler stopped working) and in recognition, offered £150 as a goodwill gesture (which they subsequently increased to £200). They also said they didn't receive advance notification of when a particular part became obsolete (as this was decided by the manufacturer). However, they said concerns about the condition of the boiler had been raised with Mrs L by engineers as far back as 2018.

Mrs L then complained to this service. She was unhappy at not being told that parts for her boiler were obsolete (and had been for two years) so she felt she'd been paying for a service British Gas couldn't have fulfilled for that period. She wanted British Gas to refund the monthly premiums she'd paid during that time.

Our investigator upheld Mrs L's complaint, concluding British Gas hadn't acted fairly. She noted British Gas said, in the most recent renewal of the policy before the boiler breakdown, that as the model of boiler was no longer made, parts were becoming

difficult to source. However, looking at the policy terms and conditions, the investigator thought Mrs L should be entitled to a refund of the premiums paid in respect of the boiler or central heating cover paid since the last renewal. On the question of compensation for the inconvenience for her boiler breaking down and the cancelled visits, the investigator thought British Gas's offer of £200 was fair and reasonable.

British Gas disagreed with the investigator's conclusions and requested an ombudsman review the complaint. They didn't think Mrs L should receive a refund of premiums, for the reasons set out in their final response.

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.

My role here to decide whether British Gas has acted fairly towards Mrs L.

The key issue in Mrs L's complaint is she feels she should have been told about the obsolete parts for her boiler before it broke down. She says she wasn't told about this at the annual service before the breakdown. If she had, she would have replaced it. She's also unhappy at being left without heating and hot water for three days until the engineer visited.

Taking the second issue first, looking at what happened, Mrs L had two appointments cancelled before she challenged British Gas and they arranged for a third appointment, three days after the breakdown. British Gas awarded £200 as a goodwill gesture for what had happened. Thinking about the inconvenience Mrs L suffered, I think the figure is fair and reasonable for the distress and inconvenience she suffered. So, I won't be asking British Gas to increase the amount.

Coming back to the main issue in the complaint, about the parts for her boiler being obsolete (and had been for two years) and whether Mrs L should have been told about this, I've considered carefully what Mrs L and British Gas have said. She says she wasn't told about this at the annual service before the breakdown. If she had, she would have replaced it. British Gas say they had been advising Mrs L about the potential reduction in parts availability. In the renewal letter for her policy in December 2020 (the last renewal before the breakdown) there's a section headed "*Important Information – parts availability*" which states:

- *"Our records show that your boiler is (model name)*
- *Your boiler's manufacturer stopped making your particular model of boiler a while ago. They're still making the most important parts for your boiler, some others are becoming difficult to source.*
- *This means we may not be able to fix your boiler if it breaks down, but we'll do our best to keep it running for as long as possible.*
- *In the unlikely event we can't fix the boiler, you may be able to get a refund back dated to when you last had work done, or to when you renewed your agreement – whichever's the most recent."*

There's also an indication of limited parts availability on the job record from the November 2020 annual service. Taking these together with the other points British Gas have made, I've concluded Mrs L should reasonably have been aware of the issue of parts availability for her boiler and that should it break down, parts may not be available to fix it. In the event, this is what happened when the boiler broke down in October 2021.

Based on this, I don't think it's reasonable (as Mrs L has asked) for British Gas to refund her policy premiums for the previous two years. I've also considered that her policy premium also covered different aspects of home emergency (not just her boiler and central heating) such as plumbing and drains cover, home electrical cover and kitchen appliance cover.

While I've reached this conclusion, I've considered the point in the above renewal letter that a refund may be possible if the boiler can't be fixed – which is what happened in this case. The policy terms and conditions contain the following statement in the “*When we can cancel*” section of the policy:

“Where you have Boiler and Controls Breakdown Cover or Central Heating Breakdown Cover and:

- We can't get hold of the parts we need to fix your boiler and controls or central heating, and*
- You decide to cancel and contact us accordingly, we'll refund any money you have paid for these products since your last successful claim or your last renewal date 9if this informed you that we not be able to source the part(s), whichever was the more recent, up to a maximum of three years.”*

Looking at the above wording, it suggests Mrs L would have been entitled to a refund of the premium she'd paid for central heating cover at renewal of the policy in December 2020 (£241.38). She paid her total premium (£581.77) through monthly direct debit, beginning in January 2021 (£48.71) and then eleven payments of £48.46. As part of her complaint to this service, Mrs L said she stopped the direct debit in November 2021, at which point she would have made either eleven or twelve monthly payments.

In their initial response to our investigator's view, British Gas said they'd removed central heating cover from the policy in October 2021, shortly after the breakdown, and refunded the applicable premiums to Mrs L. They provided a screenshot confirming the removal of the central heating cover from that date. However, Mrs L has told us she hasn't received a refund of premiums (though she's [now] paying a smaller monthly premium for cover of electrical appliances and plumbing and drains cover).

Given the points above, I've concluded British, in the circumstances of the case and in accordance with the above policy terms and conditions, should refund the premiums for central heating cover from the date of the policy renewal in December 2020 (if they haven't already refunded them, as they say they have).

My final decision

For the reasons set out above, my final decision is that I uphold Mrs L's complaint in part. I require British Gas Services Limited to:

- Refund the premiums for central heating cover from the date of the policy renewal in December 2020 (if they haven't already refunded them, as they say they have).
- Pay Mrs L £200 for distress and inconvenience (if they haven't already pay the compensation).

If they haven't already paid Mrs L the compensation, British Gas Services Limited must pay the compensation within 28 days of the date on which we tell them Mrs L accepts my final decision. If they pay later than this they must also pay interest on the compensation 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 Mrs L to accept or

reject my decision before 1 December 2022.

Paul King
Ombudsman