

The complaint

Miss C complains about how British Gas Insurance Limited (British Gas) responded under her home emergency policy when her boiler broke down.

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

What happened

In February 2022 Miss C's boiler broke down, leaving her without heating or hot water. She contacted British Gas, who arranged for an engineer to inspect the boiler. When the engineer inspected the boiler, he diagnosed corrosion on hydraulic components – but that the extent of the corrosion meant it wasn't possible to repair the boiler and it would need to be replaced. Miss C was unhappy at this, so British Gas arranged for a second engineer to inspect the boiler, and while he was able to get the boiler working on a temporary basis, the visit didn't take place for three months. He reached the same conclusion as the first engineer.

Miss C was unhappy at what had happened, so complained to British Gas. But they didn't uphold the complaint. In their final response, they confirmed the engineers' conclusions the extent of the corrosion meant they couldn't repair the boiler, only keep it running in a limited capacity. The boiler was 17 years old and the corrosion was due to wear and tear. As such, British Gas couldn't be held responsible for the issue and so wouldn't replace it. The issue wasn't the availability of parts (which is why Miss C hadn't previously been warned about that potential issue). However, British Gas did apologise to Miss C for not providing the level of service she expected, offering £70 for not being able to offer the second engineer inspection within a reasonable time.

Miss C then complained to this service. She was unhappy at what had happened, thinking her policy covered repairs to her boiler and – if it couldn't be repaired – that it would be replaced. She was also unhappy that a service of the boiler the previous September to the breakdown hadn't warned her of the corrosion issue. She had been quoted £3,500 for a replacement boiler, which would have a significant financial impact on her.

Our investigator didn't uphold Miss C's complaint, concluding British Gas hadn't acted unfairly. The terms of the policy meant a replacement boiler would only be provided by British Gas if it was less than seven years old – so given Miss C's boiler was 17 years old, British Gas were under no obligation to replace it under the terms of the policy. The investigator thought the £70 compensation offered by British Gas was fair.

Miss C disagreed with the investigator's conclusions and requested an ombudsman review the complaint. She said the compensation offered wasn't sufficient given she was without a working boiler between the first and second visits, causing her financial loss and inconvenience. She didn't think British Gas should have continued to charge monthly premiums if it couldn't repair or replace the boiler. She also wanted British Gas's terms and

conditions to be made clearer about the service offered and what would happen if a boiler couldn't be repaired.

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 Miss C.

The key issue in Miss C's complaint is British Gas's decision not to provide a replacement boiler, and that she wasn't warned about the risk of a breakdown (most recently at the annual service the previous year). She's also unhappy at being without a working boiler between the first and second engineer visits. British Gas say the extent of corrosion in the boiler meant it couldn't be repaired and was due to wear and tear, for which they aren't responsible. So, they weren't under any obligation to replace it.

On the key issue, whether British Gas should have replaced the boiler, looking at what happened, the view of both engineers that inspected the boiler was that the extent of the corrosion was such that the boiler couldn't be repaired and therefore would need to be replaced. Given the boiler was 17 years old, I think it's likely to have been affected by its age and from wear and tear over the years. And I've not seen anything to suggest the two engineer conclusions were wrong.

Having concluded the issue was corrosion and the boiler would need to be replaced, I've then considered whether British Gas should have replaced it (as Miss C believes). Looking at the policy terms and conditions, there isn't a specific condition that refers to '*wear and tear*' being excluded. However, there is a specific condition about the circumstances a boiler will be replaced, if it can't be repaired. Under the "*What's covered*" section, it states:

"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 warranty or [insurance] product;..."

These conditions are clear (to pick up one of Miss C's points) and Miss C's boiler being 17 years old would fall outside them and British Gas aren't obligated to replace the boiler. So, by declining to replace it they've acted in line with the policy terms and conditions.

I've also considered what Miss C says about not being told about the [corrosion] issue at the time of the previous service (September 2021). The work records I've seen from British Gas do show the annual service in September 2021. But no specific comments about the boiler's condition. So, it's not possible to determine whether the corrosion should have been noticed (and/or mentioned to Miss C).

But there's no indication of a problem with the boiler at that point, and it didn't break down until the following March. In any event, given the terms and conditions above about the limits on boiler age for which a replacement would be provided, Miss C wouldn't have been entitled to a replacement boiler at the time of the annual service. So, she would always have had to replace the boiler when it did subsequently stop working.

On Miss C's point about British Gas shouldn't have continued to charge monthly premiums if it couldn't repair or replace the boiler, I've considered this point (though it seems it wasn't made to British Gas - or covered in their final response). The policy would have continued

unless either Miss C or British Gas chose to cancel it under the relevant terms of the policy. I've not seen anything to indicate this happened, though it may not have been contemplated while Miss C's complaint to British Gas was being considered. And the second visit by the engineer to inspect the boiler would, as I understand it, have taken place under the policy. So, I've concluded British Gas didn't act unreasonably in continuing the policy (and collecting the associated premiums).

I've also considered the issue about the time delay between the two engineer visits. British Gas accept there was a delay, but the second engineer reached the same conclusion as the first. So, given my conclusion about British Gas not unfairly declining to provide a replacement boiler, Miss C would have had to obtain a replacement boiler in any event. British Gas have offered £70 compensation for the delay in the second visit, which I think is reasonable.

My final decision

For the reasons set out above, my final decision is that I don't uphold Miss C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 29 November 2022.

Paul King
Ombudsman