

The complaint

Mr M has complained that British Gas Insurance Limited (BGIL) won't meet the costs he paid to replace his gas boiler. Mr M held a Homecare agreement with BGIL.

What happened

Mr M held a HomeCare agreement with BGIL. In March 2021 a technician attended to inspect Mr M's boiler as he reported finding rainwater was leaking into the boiler from the flue above.

The technician didn't report any fault with the boiler - or any leak that was coming from it.

Mr M contacted BGIL again and in March 2021 a technician attended. The technician reported that the leak was coming from an external source which wasn't covered (under the agreement) and the leak wasn't due to a faulty boiler.

In July 2021 Mr M raised a complaint with BGIL. He said the second technician accepted that rainwater was coming into the boiler. So Mr M wanted BGIL to explain why it wasn't responsible for repairing the issue. He asked BGIL to contact him to discuss constructive ways to fix the problem.

In August 2021 BGIL replied to Mr M's complaint. However, it didn't address Mr M's concerns clearly. It apologised for the poor service it had provided and delay responding to his complaint and said it would pay him £70 compensation.

In September 2021 Mr M replied to BGIL and asked it to clarify its response on 26 August 2021 as to why BGIL didn't agree to fix the problem.

Mr M didn't receive a reply and he said in October 2021 he decided to replace the boiler at his own cost. Mr M says the flue was updated to accommodate the replaced boiler.

In December 2021 Mr M raised a further complaint: in summary he was unhappy that BGIL hadn't answered his first complaint - and it had failed to send the compensation payment it promised of £70.

In January 2022 BGIL apologised to Mr M. It sent a payment for £70. It said it would make further enquiries about his complaint.

Notes provided by BGIL show that an internal discussion took place where it was suggested a further visit to assess the flue and whether it was a repair covered under the agreement could be arranged. However, as Mr M had arranged for the boiler and flue- to be updated - this was no longer an option.

In April 2022 BGIL responded to Mr M's complaints. It said the technicians who visited in March and June 2021 found no evidence of a leak from the flue - and that Mr M had confirmed roof repairs were being carried out directly above the area where the leak was occurring.

It said that the agreement says BGIL should be given the opportunity to assess the condition of a boiler before it is replaced to decide whether a repair could be done. But as Mr M had replaced the boiler, this opportunity has passed. BGIL said it therefore wasn't responsible for the full costs to replace the boiler as it was in working order when the technicians attended to check it.

But due to the time it had taken and the inconvenience caused, BGIL said the estimated costs to replace or repair the flue if it was covered under the policy would have been £600. So BGIL said it would pay Mr M £600. It said it wouldn't meet the full costs to replace the boiler.

Mr M remained unhappy and asked us to look at his complaint. Our Investigator agreed that BGIL's first response to Mr M's complaint wasn't clear. But the crux of the issue was that BGIL wasn't responsible for reimbursing Mr M for the costs he paid to replace the boiler - as it wasn't given the opportunity to check it when Mr M said it was faulty.

Mr M didn't agree, In summary he says:

He didn't have an open flue, but a balanced flue at the time when the rainwater was leaking into the boiler.

He doesn't see any relevance in the roof repair works being carried out at the same time as the leak was occurring.

Water entered the boiler from the flue, penetrated the boiler and leaked onto the floor.

He doesn't see the relevance of the agreement condition for BGIL to be given the opportunity to assess the boiler to see if it could be repaired before he decided to replace it.

He never asked BGIL to replace the boiler. He is seeking the cost of replacing the boiler - not because he's entitled to that cost as a policy benefit - but because he's entitled to damages naturally flowing from BGIL's failure to repair the boiler; which he believes it was obliged to do under the policy.

He had a faulty boiler which was potentially dangerous which despite repeated requests BGIL refused to do anything about. So in the end in desperation he paid for the boiler to be replaced. Mr M wants BGIL to pay him the difference between the £600 and the full costs he paid to do this.

So the case has been 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.

I agree with Mr M that BGIL's response to his complaint in August 2021 inadequately addresses the concerns he raised. It isn't clear what or why it paid him compensation of £70.

I've looked at the agreement in place - and I've considered what Mr M has said about the boiler.

There seems to be one main difference between an open flue and a balanced flue - which Mr M says he had with the boiler he had replaced. The difference is that a balanced flue has an opening for air from outside to come into the home. With this in mind, I don't think the difference changes the outcome as BGIL made its decision on the basis Mr M had an open flue.

The agreement provides a diagram showing the parts of the home that are covered and the parts that aren't are in white. An open flue is in white on the diagram - and therefore not covered for repair or replacement under the agreement.

The key section of the agreement says:

"What's covered

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; or*
 - *it caught fire or exploded, providing you gave us access to carry out your annual service within every period of agreement*
 - *customers need to contact us if a third party has deemed a replacement is necessary before they replace it. We require the opportunity to assess and determine if a repair can be made before a replacement or a contribution to a replacement is provided*
- ☐ *A replacement of the gas supply pipe and the controls that make your boiler work if we can't repair them*
- ☐ *A replacement of the room sealed flue up to one metre in length and the flue terminal if we can't repair it"*

The job sheets and notes provided by BGIL show that on both occasions when they assessed the boiler, they found no leak coming from the boiler, but commented that the leak was coming from an area not covered under the agreement.

The agreement says it will provide cover for repair or replacement of a room sealed flue. From the information provided by Mr M and BGIL, this isn't where the rainwater was leaking from.

The boiler was in working condition when the technicians attended. I've looked at the video Mr M provided - and I can see that rainwater was leaking into the boiler and I can understand his concerns about that. But as the boiler was in working order - and the leak wasn't coming from a part that was covered under the agreement - I don't think BGIL is responsible for the costs of replacing the boiler and flue.

Mr M says the following condition is irrelevant; *"customers need to contact us if a third party has deemed a replacement is necessary before they replace it. We require the opportunity to assess and determine if a repair can be made before a replacement or a contribution to a replacement is provided"*

But I don't agree. I think it is relevant as the agreement clearly says BGIL will not contribute toward the costs of a replacement boiler unless these conditions have been met. I've seen no evidence that the boiler was faulty when Mr M replaced it.

However, BGIL has agreed as a gesture of goodwill to pay Mr M £600 toward the costs of the boiler as this is what it says it would have cost it had it repaired or replaced the flue. And it paid Mr M £70 compensation for the distress and inconvenience caused. I think this is fair as it failed to provide a clear response to Mr M's complaint and it failed to respond in a timely manner to his correspondence in September and December 2021.

Taking everything into account, I think BGIL has provided some poor service in the way it communicated with Mr M, but it has done enough to resolve Mr M's complaint. So I'm not asking it to do anymore.

My final decision

I'm sorry to disappoint Mr M. But for the reasons I've given above, my final decision is that I don't uphold this complaint.

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

Geraldine Newbold

Ombudsman