

The complaint

Mr W complains about British Gas Insurance Limited (“British Gas”) for the way it dealt with repairs to his boiler. He wants British Gas to reimburse him for part of the costs of his replacement boiler.

What happened

Mr W had a type of boiler which stopped being produced in 2006. He held boiler cover with British Gas which renewed each year. This included an annual service, and cover for any breakdown or repairs to his boiler.

His policy renewed in January 2020. Before this, British Gas sent Mr W his renewal quote, detailing that his policy would cost £322.25 for the year, and that he would have a £60 policy excess.

The renewal information included a parts warning. This explained that his boiler manufacturer stopped making parts for the boiler and that some parts were becoming difficult to source. It set out that “in the unlikely event that we can’t fix the boiler, you may be able to get a refund back to when you last had work done, or to when you renewed your agreement – whichever is the most recent.”

Mr W arranged his annual service for November 2020. At that point the boiler was working.

During his annual service, Mr W explained that he thought the boiler was leaking. The engineer could not identify a leak and recommended that a magnetic filter be fitted. British Gas booked in an appointment to investigate further the leak Mr W had mentioned.

British Gas returned for that appointment in mid-December 2020. The engineer dismantled the boiler and identified that further parts were needed. Those parts were ordered, but when the engineer returned to fit those parts, they were unable to repair the boiler as a further part was required. They advised that the boiler could not be repaired, and it was left not working.

Mr W then arranged for a replacement boiler to be installed. He complained to British Gas as he felt that British Gas had done something wrong because his boiler had been working up to the intervention by engineers.

British Gas responded to Mr W rejecting his complaint. British Gas explained that when older boilers are taken apart to reach a part within them, they cannot always be reassembled as functionality can be lost. British Gas explained that when the engineer came to replace parts, they found that they needed to replace a wiring harness, which was not available. They therefore were unable to complete the repair.

Mr W was not happy with this and contacted us.

Our investigator looked into this matter and set out her view. She noted that British Gas had refunded Mr W the £60 excess/call out fee and had offered him £50 compensation to reflect him being left without heating and hot water for a period. She did not recommend that the

complaint be upheld as she considered that the explanation given by British Gas was reasonable.

Mr W did not accept that view and asked for an ombudsman decision.

I previously issued a provisional decision in respect of this matter in November 2022. In that provisional decision I explained that I accepted British Gas's account that the boiler could not be reinstated during the attempted repair in December 2020, and I did not consider that there was evidence that British Gas had done anything wrong during the attempted repair. I did, however, think that because the boiler was not repairable at the time of that attempted repair, then the refund promise in the renewal letter ought to have been applied, and Mr W ought to have been refunded his premiums back to the last renewal.

That provisional decision has been shared with the parties and they have been invited to comment.

Mr W has responded, making some additional comments in respect of the background and advising that there is an ongoing dispute over the cost of the replacement boiler. He clearly remains of the view that British Gas and its engineers caused the breakdown of the boiler and he is understandably upset at the costs he has incurred.

British Gas has responded, accepting the basis of my provisional decision, but pointing out that the premium included both plumbing and electrical cover in addition to boiler cover, and arguing that only the boiler cover ought to be refunded.

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.

Firstly, I must make clear that I have not determined, and cannot determine, what exactly caused the boiler to break down beyond repair. I can only consider whether British Gas gave an appropriate service under the insurance element of the cover it provided.

I have, however, accepted that it is a reasonable explanation from British Gas that the process of attempting to repair a boiler may result in the boiler not working, as parts which are removed may not be possible to restore effectively.

In this case, I cannot say that the engineer caused the boiler to break, and his evidence is that it was not possible to repair the boiler after that attempt. For that reason, I have not determined that the engineer did anything wrong.

In my provisional decision I explained that I thought British Gas should have applied its parts guarantee when it became clear that the boiler could not be repaired, and I set out that I thought British Gas should now refund that premium in line with the offer on the renewal quote.

British Gas has explained that the part of the premium to reflect the boiler cover amounted to £161.43. It argues that Mr W still had the benefit of cover for his plumbing and electrics and so the parts of the premium relating to these services should not be refunded.

I agree with this, and direct that British Gas refund £161.43, plus interest at a rate of 8% per annum from the date of payment up until the date of settlement.

In addition, Mr W has made it clear how distressing he has found this dispute and I consider

that some of his distress could have been avoided if British Gas had explained and applied this refund promptly after the attempted boiler repair. I therefore think that British Gas should also pay to Mr W £100 compensation for his distress and inconvenience. I appreciate that this amount will not reflect all of Mr W's distress and inconvenience, but it is to reflect the additional distress he has been caused as a result of British Gas's failure to apply this refund sooner.

Putting things right

Consequently, I remain of the view set out in my provisional decision, but amend my direction to:

British Gas Insurance Limited must refund £161.43 plus interest as set out above; and

British Gas Insurance Limited must also pay to Mr W £100 compensation for his distress and inconvenience.

My final decision

For the reasons set out above, and in my provisional decision, I partially uphold Mr W's complaint and direct British Gas Insurance Limited to:

- refund £161.43 plus interest to Mr W; and
- pay to Mr W £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 9 January 2023.

Laura Garvin-Smith
Ombudsman