

The complaint

Miss B complains British Gas Services Limited (British Gas) mis-sold her central heating breakdown policies.

What happened

The background of this complaint is well known to both parties. So, I'll summarise the key points I've focused on within my decision.

- Miss B bought the property in late 2015, she says she was told by the previous owner that they had installed a new boiler. Miss B says she did have paperwork at the time, but this was left with the tenants and has been lost over time
- Miss B says she took out central heating breakdown policy straight away as she was letting the property and wanted to ensure she had cover
- In November 2022, Miss B made a claim on her policy, but British Gas were unable to repair or replace the boiler. It says it has been informing Miss B by way of her renewal documents that the boiler had been discontinued and getting some parts may not be possible. As the boiler was now over 7 years old it also wouldn't be replaced as per the terms and conditions of the policy
- Miss B says she didn't read the documents and feels British Gas should've told her verbally when she called it each year to renew. She feels it has unfairly taken the premiums each year knowing it couldn't guarantee getting parts. Miss B says she could've saved all that money had she known her boiler wasn't under 7 years old
- Our Investigator didn't uphold the complaint. He didn't think British Gas had mis-sold the policies and it had acted fairly by refunding the last year's premium as it couldn't repair or replace the boiler
- Miss B disagreed, so the complaint has been passed to me, an Ombudsman, to make a final decision.

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.

When British Gas sold the policy to Miss B it needed to do so in accordance with the Insurance Conduct of Business Sourcebook (ICOBS) rules as set out in the Financial Conduct Authority Handbook. These rules cover the sale of insurance policies and requires it to take reasonable steps to ensure that a customer only buys a policy under which they are eligible to claim benefits. These also require British Gas to ensure a customer is given appropriate information about a policy in good time and in a comprehensible form, so that the customer can make an informed decision about the arrangements proposed. The level of information required varies, but it's clear from the rules that making the customer aware of the main benefits, exclusions and limitations of the policy is important.

I have therefore looked at the renewal invitations sent to Miss B. British Gas provided clear information about the cover, and it also brought attention under the section named '*Important information*' that the manufacturer of the boiler had stopped making this model. It noted it was still making the most important parts for the boiler, but some other parts were becoming difficult to source. I appreciate Miss B says she didn't read the documents, but the rules do not require British Gas to tell their customers everything verbally and the onus is upon the customer to read the information provided before accepting the terms, or to cancel the policy within the first 14 days. I haven't identified British Gas has made any error, and I'm satisfied enough information was provided to Miss B so she could make an informed decision if she wanted to continue with the policy.

Miss B has said the cover should've stopped in 2019 when British Gas knew it couldn't guarantee repairs. I have therefore looked to see if Miss B would've been eligible to claim the benefits of the cover.

Miss B hasn't been able to provide exact dates when the boiler was installed but she has provided the fixture and fittings list dated 24 October 2015 that shows the boiler was listed as '*sold as seen, new*'. So, I'm satisfied the boiler was installed sometime prior to this.

So, if I take that the boiler was installed from October 2015, Miss B's boiler would've been less than 7 years old up to October 2022 and Miss B was covered for a boiler replacement if British Gas couldn't repair it. Unfortunately, Miss B made a claim in November 2022. And as British Gas couldn't repair or replace the boiler it refunded the premium for that policy year which I'm satisfied was fair.

I can also see Miss B has had the benefit of central heating breakdown cover if she needed to claim between 2015 and 2022. And I can see this was utilised including having a part replaced on the boiler in 2019. I therefore can't agree the policies were unsuitable for Miss B or that British Gas had mis-sold the policies. I therefore won't be asking British Gas to do anything further on this complaint.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 23 February 2023.

Angela Casey
Ombudsman