

The complaint

Ms P complains about the level of service received from British Gas Insurance Limited following a claim against her homecare insurance policy.

Mr V has brought the complaint to our Service on Ms P's behalf. For ease of reading I'll refer to both Ms P and Mr V as "Ms P".

What happened

In 2017, Ms P replaced her boiler following advice from British Gas to do so. In 2021, she says British Gas failed to diagnose a pressure issue and advised her to replace the boiler, which she did, but that didn't resolve matters. A wider issue was later found on Ms P's street a gas company repaired, which resolved the issues Ms P faced. Ms P says British Gas should cover the full boiler replacement costs as there was nothing wrong with her boiler.

British Gas say the gas company incorrectly advised no pipework issues were found, so they recommended Ms P replaced the boiler based on this. And the gas company are partly responsible for the misdiagnosis. They offered to cover the boiler replacement but not the installation costs. They say they've been advising Ms P replaces the boiler since 2017 so covering the full costs would be betterment. They also paid Ms P £100 compensation for the way things were handled.

Ms P says she informed British Gas she replaced the boiler in 2017 so it was only 5 years old when they recommended a new one. And thinks they were ultimately responsible for what happened under the policy. She also wasn't happy she was told to contact the gas company to raise her concerns, and received threatening letters demanding payment. As she remained unhappy, she approached our Service for an impartial review.

Our investigator recommended British Gas covers the full boiler replacement costs – including installation. She said British Gas were responsible for misdiagnosing the fault and Ms P shouldn't be out of pocket as a result for replacing a boiler that wasn't faulty.

British Gas maintained they acted on advice from experts and aren't wholly responsible for what happened. As no agreement was reached, the case was 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.

Having done so, I'm satisfied British Gas are responsible for the failure to correctly diagnose the fault and recommending Ms P replaces a functional 5-year-old boiler in error. I'll explain why.

British Gas say covering the full costs (including installation) would be betterment given they've advised Ms P since 2017 to replace it anyway. Ms P, however, has provided supporting evidence that shows she did follow this 2017 advice and replaced it. British Gas'

engineer job notes also state Ms P had advised she was having a new boiler installed. I find this is a key point in the complaint that has been overlooked.

So, given Ms P replaced her boiler in 2017, and there's no evidence to suggest the boiler recommended to be replaced in 2021 wasn't functional – or the cause of the 2021 fault – I don't find British Gas' comments regarding betterment reasonable.

The claim notes suggest British Gas thought a part was needed, and after this failed to resolve the issue, a gas company inspected pipework and found no fault, but this was an error. So, a new boiler was recommended based on this advice. As such, British Gas say they relied on advice from experts and therefore aren't wholly to blame for Ms P replacing a 5-year-old functional boiler unnecessarily. I don't agree.

It's unclear why British Gas' engineer failed to identify the boiler wasn't the issue here or the age of it – given it was installed roughly 5 years prior to this visit. I find it very unlikely Ms P's boiler would have required replacing given its age, and ultimately British Gas were also the experts in diagnosing faults and assessing whether a reasonable solution to the 2021 pressure problem was to have the boiler replaced. So, even though British Gas say they relied on being given incorrect information by a third-party that led to the incorrect diagnosis and advice, they were ultimately responsible under the contract of insurance to assist Ms P with the claim correctly which they failed to do.

In concluding, I'm not satisfied it's fair or reasonable for Ms P to be left out of pocket as the result of British Gas failing to correctly diagnose the fault – even if a third-party was involved and their actions in part led to Ms P being given incorrect advice. And I don't think it was fair for British Gas to suggest Ms P contacts the third-party directly to raise her concerns. I say this because her contract of insurance was with British Gas who were ultimately responsible for handling and resolving the claim. So, I'll be directing British Gas to cover the full boiler replacement and installation costs.

There were some service issues British Gas acknowledged by apologising and paying Ms P £100 compensation. I find that was fair. Even if things could have been handled better here, I think British Gas have already done enough to put things right in respect of the service issues Ms P faced.

Putting things right

For the reasons mentioned above, British Gas Insurance Limited must now cover the full boiler replacement and installation costs, so Ms P isn't out of pocket as the result of their failings here.

My final decision

My final decision is I uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 8 March 2023.

Liam Hickey
Ombudsman