

The complaint

Ms F complains about the service she received from British Gas Insurance Limited in relation to her home emergency policy.

What happened

In late 2021, Ms F contacted British Gas about an intermittent problem with her boiler. She says she could not always get hot water, there was a clicking noise and a slow leak. British Gas sent an engineer around. Ms F says he told her the boiler appeared to be working and the leak couldn't be repaired because the part needed was obsolete.

Ms F says she had to remind the engineer to complete the paperwork and he left quickly after doing so. When she looked at what he'd written after he left, she saw he'd noted nothing about the leaking water pipe.

A couple of weeks later, Ms F contacted British Gas and raised concerns that a corroded pipe hadn't been spotted during her annual inspection. Ms F says that when a British Gas representative called her to discuss her complaint, she was told that there were only two parts still available for her boiler, neither of which she needed.

Ms F arranged for her boiler to be replaced by a third party. She says the engineer who replaced it commented about the dust that had built up in the internal chamber. Ms F says the engineer told her this was dangerous and could cause products of combustion to be inhaled through porous corrosion. She says she was also told that the corrosion on the pipes should have been picked up in a much earlier inspection.

Ms F raised further concerns with British Gas about the above. She also complained that she'd been misled into continuing with the policy for several years. She said if she'd been made aware there were so few parts available for her boiler, she would have cancelled her policy and set the money aside to replace her boiler when it broke for good.

British Gas said it had acted in line with the terms of the policy. If it agreed to cover a boiler but warned it might be difficult to find replacement parts, it would do what it can, within reason to repair it. It said it would pay Ms F £100 by cheque as a goodwill payment, which was the equivalent of what Ms F had paid since her last renewal. It said there was no record of British Gas or a third party engineer raising a report with the Health and Safety Executive.

There was further correspondence between Ms F and British Gas. She raised concerns about the customer service she'd received and asked a number of questions relating to the terms of the policy, availability of parts and the issues with her boiler. Ms F said she hadn't cashed the £100 cheque British Gas had sent her, as she didn't accept it by way of final resolution. She suggested British Gas pay her £2,000 to compensate her for what she believed to be multiple failings.

I issued a provisional decision on 20 January 2023 where I explained why I intended to uphold Ms F's complaint. In that decision I said:

“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Based on what I’ve seen so far, I intend to uphold Ms F’s complaint in part. I’ll explain why.

I’d like to reassure Ms F I have considered all of her points, even if I’ve not addressed each of them individually. I’ve focused on what I believe is most relevant to the outcome of her complaint.

Availability of parts

The terms of the policy say:

“If we can’t get hold of the parts we may need to cancel your agreement (or part of it). If we’ve agreed to cover a boiler or appliance but warned you that it might be difficult to find replacement parts, we’ll do what we can within reason to repair it.”

British Gas says engineers had been recommending a new boiler back to at least 2015 due to the age, efficiency and parts availability. It says it also mentioned it on renewal documents issued from 2018 to 2021.

On the most recent renewal document (dated July 2021) it says:

“Our records show that your boiler is (make and model). Your boiler’s manufacturer stopped making your particular model of boiler a while ago. They’re still making the most important parts for your boiler, some other parts are becoming difficult to source. This means we may not be able to fix your boiler if it breaks down, but we’ll do our best to keep it running for as long as possible. In the unlikely event we can’t fix the boiler, you may be able to get a refund back dated to when you last had work done, or to when you renewed your agreement – whichever’s the most recent...”

Ms F has acknowledged being told her boiler was on the restricted parts list at annual inspections for many years. But she says she asked each year whether it was worth continuing with the policy and she was reassured that even though the manufacturer wasn’t making original parts for her boiler, there were still plenty of generic parts available and not to worry. She’s also commented on the wording “most important parts” in the renewal documents.

Ms F says that when she spoke to British Gas in December 2021, she was told only two parts were still available for her boiler. She’s expressed concern that British Gas hadn’t checked the availability of parts when saying the “most important parts” were available.

British Gas says that it isn’t able to provide a list of all parts that were available for Ms F’s boiler. It says that when a part becomes obsolete the manufacturer notifies British Gas who attempts to purchase the remaining stock. This ensures it has the best possible chance of providing parts for a longer period of time and allows it to continue servicing and repairing older appliances. It says it wasn’t able to carry out repairs on Ms F’s boiler because the specific parts required have ceased to be available from the manufacturer.

British Gas says there is an agreement for manufacturers to supply parts for a minimum of eight to ten years after cessation of their boilers, and Ms F’s type of boiler stopped being manufactured in 1994. So, I can understand why Ms F believes that the policy was unsuitable for several years before it ended.

However, British Gas says reduced parts alone doesn’t mean cover cannot be provided. It just carries more risk as time passes of repairs no longer being possible.

British Gas says it doesn't have a recording of the call in which Ms F says she was told there were only two parts available for her boiler. I don't doubt Ms F's recollection of what she was told, but I haven't seen evidence to show me precisely when each boiler part became obsolete. Even if I was persuaded that most of the parts had been obsolete for many years, I don't think this necessarily means that British Gas wouldn't have been able to fix her boiler if there had been a different issue. It might have been able to use a generic part or it may not have required a part at all.

I'm satisfied from what I've seen that Ms F was made aware that some parts weren't available in 2015 and in subsequent visits. And I think the information on the renewal documents also made Ms F aware there was a risk that British Gas might not be able to fix her boiler, while doing its best to keep it running as long as possible.

However, Ms F has also provided a note of a conversation she had with British Gas in 2015, which says that a supervisor reassured her there was enough stock of all parts to fix her boiler and British Gas would notify her if it ran out of any of the parts.

British Gas says it doesn't have a note or recording of the call, which isn't surprising given the time that's passed. But I'm persuaded by Ms F's contemporaneous note that she was likely to have been given misleading information from British Gas during this conversation. So, I think it would have been confusing and upsetting for Ms F to find that a number of parts for her boiler were unlikely to be available, when she had expected to be notified when they became obsolete. And I think it would be fair for British Gas to pay Ms F some compensation for this.

Annual services

Ms F says the engineer who fitted her new boiler told her that the leaking was due to corrosion on the pipe that had been building up for a long period of time. She's raised concerns that British Gas didn't inform her of this when annual services took place. She says if she had known about it earlier, she might have been able to get the pipe valve or section replaced, potentially avoiding the leak and need to replace the boiler.

British Gas says corrosion happens over a long period of time and was due to the age of the appliance and condensation and cannot be repaired. It says the first breakdown visit was in November 2021. The valve which was leaking could have been replaced but the part was obsolete. It says an alternative was available but fitting the part risked damaging the boiler and making it unusable.

British Gas says the corrosion wasn't a safety concern prior to the boiler being replaced, although it could have led to safety concerns in the future. It says the leak wasn't the reason the boiler required replacing. The main fault was the heat exchanger which was obsolete.

Ms F says she wouldn't have replaced the boiler if the only issue was the heat exchanger. She says that when the British Gas engineer visited regarding the breakdown, she had heating throughout but she only had hot water some of the time. She says she could have continued using the boiler and put up with an unreliable supply of hot water if she wished to. I haven't seen sufficient evidence to persuade me that British Gas should have replaced part of the pipe or valve after observing corrosion during annual service visits. In any event, I don't think it would have made a difference to Ms F needing to replace the boiler when she did.

I appreciate Ms F's main reason for getting the boiler replaced was the leak. However, the paperwork the British Gas engineer completed during the visit in November 2021 says:

“Boiler currently working, fault description points to heat ex being blocked advised part is obsolete”.

I acknowledge that Ms F says the heat exchanger wasn't mentioned to her in the visit. However, British Gas says the heat exchanger was obsolete and I haven't seen any evidence to contradict this. I don't think Ms F could have continued to use the boiler for much longer with the faulty heat exchanger, as this is an essential part. So, on balance, I think Ms F would have needed to replace the boiler, regardless of the pipe corrosion.

Ms F has also complained that British Gas allowed dust to build up in the internal combustion chamber of the boiler. She says she was told by the engineer who fitted her new boiler, it was potentially dangerous as it could lead to porous corrosion and allow products of combustion to escape.

British Gas says the dust was a calcium build up which occurs in appliances. It says that as long as calcium is not affecting combustion and other safety checks are satisfactory, then the appliance would be deemed safe. It says that this is found in combustion chambers on most boilers, not all engineers remove this with a vacuum, but some will.

British Gas says that, as the combustion reading has been within the allowed tolerances over the years, the engineers have serviced the boiler correctly. It's also commented that it had only been called out to one breakdown visit in the last six years, despite the age of the boiler, suggesting that it had been serviced correctly.

I appreciate Ms F had concerns that the dust inside the cavity might mean that the annual services weren't carried out as they should have been. However, I haven't seen evidence this caused any problems or safety issues.

While I've considered all of Ms F's points, I haven't seen sufficient evidence to persuade me that the annual services British Gas carried out were inadequate.

Customer service

Ms F is also unhappy with the customer service she received from British Gas when discussing her concerns over the phone. She was particularly upset by a conversation that took place in January 2021. She says the British Gas representative continued to engage her in conversation, despite her saying that she couldn't talk for long as she was getting ready to leave for a funeral.

Ms F was also upset by the letter she received following the call, which said she'd accepted British Gas's offer of £100 to settle her complaint. She says she'd made it clear that she didn't accept the £100 goodwill payment in the call.

British Gas says there isn't any evidence to substantiate Ms F's claim that its advisers were rude or pushy. However, it says it isn't able to provide call recordings, so there's no evidence to refute Ms F's claims either.

Ms F has provided a fairly detailed account of her conversations with British Gas, as well as a copy of the invitation to the funeral. So, I'm persuaded by her testimony that this particular call was upsetting for her.

I also note that the wording: “You accepted the Payment of £100.00” was kept in the follow up letter to Ms F's complaint sent in March 2022, despite Ms F's insistence that she didn't accept the £100 in several earlier emails.

I've already explained why I think Ms F was likely to have been given some misleading information by a British Gas representative in 2015, which led her to believe that she would be kept informed about the availability of parts. And I'm persuaded that Ms F was caused some additional distress from some of her more recent communications with British Gas. So, for these reasons I intend to award a slightly higher amount for distress and inconvenience to what was recommended by our investigator.

Ms F says she didn't cash the £100 British Gas sent her in early 2022 and this has now expired. If this is the case, I expect British Gas to reissue this payment if it hasn't already done so. British Gas says £84.50 of this was to reimburse her the premiums she'd paid since her last renewal, which it was required to pay under the terms of the policy.

I've thought about the overall impact of the shortcomings in British Gas's communication on Ms F. And I think it would be reasonable for it to pay a further £300, as I think this figure reasonably recognises the distress and inconvenience caused by British Gas."

I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses

Ms F said she hadn't received any reissued payment of £100 from British Gas or any other payment of monies.

Ms F disputed what British Gas had said about recommending she replace her boiler. She said she was encouraged to continue with her policy and was not advised to replace the boiler.

Ms F said she appreciated British Gas had stated it was unable to provide a list of parts that were available for her boiler, but she expected it to be able to identify the "*most important parts*". She asked if we'd called upon British Gas to show when the heat exchanger became obsolete. She said she agreed reduced parts alone didn't mean cover could not be provided. But she was concerned about the way in which increasing risk was reflected. She said British Gas failed to modify the wording on her policy documents to reflect the increasing risk of not being able to repair her boiler. She said it didn't reduce or fix the annual premium of the policy to reflect the increasing risk.

Ms F said she didn't have any further evidence to provide about the build up of dust in the internal combustion chamber.

Ms F said British Gas had given unclear and contradictory information about whether the valve was unavailable. She believed British Gas's failure to spot or comment on corrosion over the years was a failure to inspect properly. She said that even if she'd needed to replace the boiler because of the heat exchanger, she would not have needed to do so as a matter of urgency. She couldn't risk the ongoing and worsening leak flooding her flat and the flat below her. She said she'd be grateful if I could take this into account when awarding compensation for distress and inconvenience as even spotting the corrosion in the July 2021 inspection could have avoided such a pressured scenario.

British Gas said it strongly disagreed with the findings I'd reached in my provisional decision. It said there was no evidence of the conversation Ms F alleges she had with British Gas in 2015 regarding parts, other than the handwritten notes she'd provided. It said, irrespective of this, information regarding parts availability had been provided after this date in renewal documents and annual service visits from 2016 to 2021. It said this advice took into account several factors such as age, efficiency and parts availability.

British Gas said it has no control over the availability of parts and the risk of parts becoming difficult to source increase as time passes. It's impossible to predict what faults might occur, what parts may need to be replaced or how this may impact ongoing cover. It said it provides information for customers to make an informed decision, without giving assurances about the longevity of a boiler. It's up to a customer to decide what action to take with the information they receive, and their personal circumstances in mind.

British Gas said in accordance with the policy's terms and conditions, engineers will continue to attend and carry out repairs for as long as they're available. It had refunded Ms F's premiums in line with the terms and conditions of the policy.

British Gas commented that I'd concluded, based on Ms F's testimony, that there had been service failings during the complaint handling process. It said there was nothing in its files to support this and these issues were not raised directly with British Gas. It said it didn't believe it would be appropriate for me to consider complaint handling as it's not a regulated activity.

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 appreciate that both parties have strong opinions about the outcome of this complaint. I've considered all of their points, but neither party has provided any new information or evidence to persuade me to change the conclusions I reached in my provisional decision.

Ms F strongly believes that British Gas gave her misleading information about the likelihood of being able to repair her boiler, which meant she continued to pay for a policy she now believes wasn't of much use. British Gas says it would be inappropriate for it to have given any assurances regarding the longevity of the boiler one way or the other. It says it gave Ms F clear information so Ms F could make an informed decision about continuing with cover.

I appreciate Ms F believes the wording on the renewal documents is misleading, particularly when referring to "*the most important parts*". I don't have any information from British Gas about what is considered to be "most important" or when the heat exchanger became obsolete. However, I'm satisfied British Gas made Ms F aware that it was becoming more difficult to source parts and there was a risk of not being able to repair a fault to Ms F's boiler. British Gas might have been able to fix her boiler if there had been a different issue. So, I don't think it would be fair to tell British Gas to refund Ms F's premiums prior to the last renewal.

I also acknowledge what Ms F has said about the urgency of having to replace her boiler because of concerns about the leak potentially flooding her flat and the flat below. However, as I said in my provisional decision, I haven't seen sufficient evidence to persuade me that British Gas should have replaced part of the pipe or valve after observing corrosion during annual service visits.

However, I have accepted Ms F's note of her conversation with British Gas in 2015 as evidence that she was likely to have been given misleading information about being notified if it ran out of any parts. And I've explained why I think it would be fair for British Gas to compensate her for the confusion and upset she experienced as a result of this.

I'm also persuaded by Ms F's testimony regarding the customer service she received over the phone. I'm aware that complaint handling isn't an activity that is regulated by the

Financial Conduct Authority. However, that means that I'm not able to consider a complaint that is *solely* about complaint handling. I can consider the customer service Ms F received from British Gas when discussing her complaint as it is part and parcel of the way in which it administered the financial service it was providing her.

Having considered both sides' responses, I remain of the opinion that a further £300 from British Gas would fairly recognise the distress and inconvenience it has caused Ms F.

Putting things right

British Gas should pay Ms F £300 compensation for distress and inconvenience, in addition to the £100 it has already offered her.

Ms F says she hasn't yet received a replacement for the cheque she didn't cash, which has expired. So, British Gas should pay Ms F a total of £400, unless it has evidence to show that the previous cheque was cashed.

My final decision

For the reasons I've explained, I uphold Ms F's complaint and direct British Gas Insurance Limited to put things right as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 13 March 2023.

Anne Muscroft
Ombudsman