

The complaint

Mrs L has complained about the way that British Gas Insurance Limited ('British Gas') handled issues with her boiler under her home care policy.

What happened

Mrs L complained to British Gas about her boiler which it had installed in 2005. She said there had been issues with it since installation. Mrs L thought that British Gas should therefore have replaced her boiler. Mrs L also complained about the service provided by British Gas and said that the issue was affecting her health.

British Gas made an offer of settlement in response to Mrs L's complaint. It offered a discount of 20% off a new boiler. Mrs L was unhappy with this offer and referred her complaint to this service.

The service's investigator didn't uphold Mrs L's complaint. She considered that the offer made by British Gas was fair and that every time there had been a fault, it had repaired the boiler or replaced the relevant part. She thought that even if faults re-occurred, this didn't mean that British Gas should have immediately replaced the boiler, and this wasn't the purpose of a home care policy. She didn't consider that British Gas had purposely waited for expiry of the replacement period to state that a new boiler might be needed. She concluded that the boiler was outside the 10-year timeframe for replacement as provided by the policy.

Mrs L remains unhappy with the outcome of her complaint and the matter has been referred to me to make a final decision in my role as Ombudsman.

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.

The key issue for me to determine is whether British Gas applied the terms and conditions of its home care policy in a fair and reasonable manner and whether its offer of settlement was a fair and reasonable response to Mrs L's complaint. On balance, I don't consider that British Gas acted unfairly or unreasonably in this case, and I'll explain why.

Mrs L considered that British Gas hadn't installed the right boiler from the start, as it shouldn't have needed repairs within the first six months. She said that British Gas engineers had been in and out of her house more than twice every year. Mrs L said that it didn't matter how many times British Gas took out parts and replaced them, the problem would still be there and that this was *'because the proper checks [were] not carried out before the boiler was installed.'*

She said that the heating had to be on 25 degrees before it would warm up, and it would then get too hot and couldn't be turned down. Mrs L also said she had no reliable hot water. When attempting to get hot water, the system shut off the heating. She said that sometimes she would have to run the shower and the sink water together so that she could finish

showering as the water would go cold during use. Mrs L was unhappy that British Gas had refused to replace the boiler and she thought it had *'spent all these years changing the same bits over and over again until the warranty ran [out]'*.

Mrs L said that the issue was affecting her own and her daughter's health. The family needed hot water and Mrs L said she couldn't continue to boil kettles and carry water for washing. She'd had to explain the issue to British Gas many times. Over the years, British Gas had blamed water pressure and the utility company. She said that a utility company engineer *'checked everything and gave pictures and videos to prove that it was the boiler that was the problem all along.'* Mrs L said that once British Gas looked at this evidence, it then finally admitted that the boiler was at fault. Mrs L said that the latest British Gas engineer to visit her home had said that the proper checks couldn't have been made on installation, and that this particular type of boiler shouldn't have been installed.

Mrs L has said that she would like the boiler to be replaced. She was willing to pay a contribution towards it however she'd taken out the British Gas home care service to avoid all of this; *'but it has turned out not to be the peace of mind that I had hoped.'* She said that after admitting the boiler was faulty, British Gas had still wanted to charge Mrs L to fix its own mistake. She said that if it had been a recent problem, she wouldn't have minded the 20% discount offered, however bearing in mind that the problems started soon after the boiler was installed, she didn't think the offer was reasonable. She said that she'd always paid her yearly fee on time, even when it was hard for her to do so due to the yearly price increase. She felt that British Gas had no loyalty to its customers.

As to service issues, Mrs L said that she'd called British Gas several times within the first few months but that it refused to listen. She also said that one of its engineers sold her a particular connection, but when they came to fit it, they found it didn't work with her boiler.

British Gas accepted that Mrs L had been unhappy with her boiler since it was installed in 2005 and that she didn't think it had ever worked properly. It said that having investigated the matter, the faults had varied in nature, but it had *'been able to complete repairs and leave the boiler fully operational'*. However, it considered that the boiler had got to the stage where it was difficult to obtain parts and, as the boiler was now 18 years' old, it recommended replacement. It said it had always been able to repair the boiler and a replacement had not been needed before now. It said that it had nevertheless offered Mrs L a 20% discount on a new boiler as a goodwill gesture. It considered that this was a fair and reasonable offer in all the circumstances.

British Gas provided a copy of its records in relation to Mrs L's contact from 2015 onwards. The records indicate that its engineers carried out several repairs and replaced parts of the boiler from this date, however unfortunately it wasn't able to produce records prior to this. British Gas acknowledged that despite replacement of various boiler parts over recent years, the same issues were still happening. In January 2023, it said *'we will of course continue to make repairs under your policy, while we are still able to obtain parts, but the best solution would be to replace the system.'* It also acknowledged that it had considered for some time that the main problem had been due to water pressure problems, but that the utility company had tested the mains and the pressure was fine.

Finally, British Gas said that under the policy, a replacement boiler would only be supplied *'if we are unable to make repairs providing the boiler is less than 10 years old, was installed by us, and the Home Care policy has been continuous.'* As the boiler was installed in 2005, it didn't think that it needed to provide a replacement boiler. As a goodwill gesture it had offered a 20% contribution to the cost of a replacement boiler. It didn't consider that further compensation was due as it continued to assist and repair the boiler. It concluded that; *'I'm sure that our engineers have tried their best to repair the boiler over the years'*.

My starting point for this final decision is the wording of the relevant home care policy. This provides cover for all relevant repairs within the *'Boilers and Controls'* section of the policy. It says that a replacement will be provided if it can't repair the boiler and; - *'Its less than seven years old; or its between seven and ten years old, we installed it and it's been continuously covered by us under either a warranty or HomeCare product'*

I've noted from the British Gas written records that Mrs L had numerous visits from British Gas engineers from 2015 onwards relating to various appliances, including her boiler. I also note that the repairs and replacement parts related to a range of issues. No documentary evidence has been provided by either party to clarify the extent of issues between 2005 and 2015. However, I've no reason to doubt what Mrs L says and that she'd experienced issues with the boiler since it was installed by British Gas in 2005. I appreciate that this will have caused Mrs L frustration and inconvenience at times. Having said this, I'm satisfied that British Gas continued to fulfil its repair obligations under the home care policy during this period. There is no record of Mrs L requesting a new boiler between 2005 and 2015.

I appreciate that Mrs L felt that due to the number of repairs and replacements of parts that the boiler should have been replaced many years ago. I agree with the investigator however that, despite Mrs L's understandable frustration, the first port of call under the policy would be to repair the boiler where possible in the first instance. Whilst there had clearly been significant issues with the boiler, the evidence suggests that repairs were carried out successfully for some years and that there had been no reason to consider that a replacement was required until recently. For example, in March 2015 the records indicate that the customer said *that 'the boiler was working ok.'* Again, the records indicate in June 2019 that the engineer *'checked with customer and everything is fine.'* In July 2021 however, it was clear from the records that Mrs L felt there had been *'ongoing issue for years'*.

The records don't confirm that the last engineer to visit Mrs L's property said that the proper checks couldn't have been made at installation and that this particular type of boiler wasn't the right one. Again however, I've no reason to doubt Mrs L's recollection of the conversation. Unfortunately for Mrs L however, this doesn't alter the fact that, whilst there had been numerous repairs over the years, these repairs had been successful until fairly recently and that this was in line with what was to be expected under the policy.

I note that British Gas eventually accepted that water pressure wasn't an issue and that it was likely that the boiler needed to be replaced. I can't say that it would be unfair or unreasonable for British Gas to have then suggested that an 18-year-old boiler would require replacement. Nor do I consider that it was unfair or unreasonable for British Gas to have reached the conclusion that, following further parts being replaced in 2022, that the underlying problem hadn't been resolved. The question for me is whether British Gas should have reached this conclusion much earlier. I'm satisfied that it couldn't have been expected to have reached this conclusion by 2015. In other words, on the balance of probabilities, I conclude that repairs were feasible and indeed were successfully carried out during the first ten years of operation of the boiler and well beyond that timescale. I can't therefore say that British Gas applied the terms of the policy in an unfair or unreasonable manner in declining to replace the boiler.

I do however note that more recently, a significant number of attempts to resolve the issues appear to have been unsuccessful. I consider it reasonable to conclude that British Gas should have realised that water pressure was not the underlying issue some months earlier than it did. I also appreciate that Mrs L and her family have experienced significant inconvenience during those months, particularly bearing in mind their health issues. I note that Mrs L very understandably needs a reliable source of hot water and heating. Under the terms of the policy however, I can't say that it was unfair or unreasonable for British Gas to

decline to provide a replacement boiler, rather than to provide on-going repairs and replacements as and when necessary. Neither can I say that it was unfair or unreasonable to then offer a discount of 20% to replace the boiler in view of the inconvenience caused.

I know that this decision will come as a disappointment to Mrs L. In all the circumstances however, I can't say that British Gas has acted in an unfair or unreasonable manner in response to her complaint. As above, I've concluded that British Gas should have realised that water pressure was not the underlying issue some months earlier than it did. I'm satisfied however that British Gas has now acted in a fair and reasonable manner by offering a 20% discount on a new boiler to recognise the difficulties Mrs L has encountered.

My final decision

For the reasons given above, I don't uphold Mr L's complaint and I don't require British Gas Insurance Limited to do any more in response to her complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 10 April 2023.

Claire Jones
Ombudsman