

The complaint

Ms M and Mr M are unhappy about the handling, service and decline of a boiler claim by British Gas Insurance Limited under a home emergency HomeCare policy.

The policy is in the name of Ms M and Mr M but for the purposes of this decision as Mr M as dealt with most of the details I'll refer only to him throughout.

What happened

Mr M made a claim when his boiler broke down. He said that BG hadn't told him he needed a powerflush in November 2021 and his system broke down in April/May 2022. By this stage BG said the boiler was obsolete but it agreed to repair it. BG gave Mr M a parts list and he bought them. BG later reimbursed Mr M the cost of these parts. However, when it came to fixing the boiler BG then said it needed a further 2 parts that should've been ordered but were not on the parts list BG gave to Mr M. At this stage Mr M pointed out that one of the BG engineers now said the boiler was suffering corrosion due to the lack of a powerflush.

Mr M said BG hadn't raised the issue of a powerflush before and he felt it was just a way to make money from the policy. He also said BG had missed many arranged appointments where BG just never turned up. He said he'd lost potential rental income and sale proceeds as house prices were now dropping and he'd wanted to sell while waiting for BG to fix the boiler. Mr M said he spent most of 2022 without heating and hot water.

To put matters right Mr M wants a new boiler, the loss of rental income, the loss in house value, and the loss of quality of life. As he and BG couldn't agree he brought his complaint to this service.

Our investigator didn't uphold the complaint. She said BG did inform Mr M that a powerflush was required and it needed to be done before BG would agree to carry out any further work. So, when the claim occurred, and BG paid for the parts and the boiler still couldn't be repaired she felt BG paying back the premium in full was fair.

Mr M didn't agree, and he asked for his complaint to be passed to an ombudsman for 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.

The main complaint point Mr M has focussed on is that he said BG never told him that he needed to have a power flush. He said because it didn't tell him, he didn't get the powerflush done, and so that's why his system ended up failing.

BG see things very differently. It said *"As you can see from the work history attached, we have been informing Mr M that a new boiler is needed since 2016 – code5 when the engineer has advised on a new boiler quote which the customer has declined."*

BG continued *"As you can see the engineers have marked code5 on several of their visits, which means – code5 when the engineer has advised on a new boiler quote which the customer has declined."*

So as far as BG is concerned the power flush isn't the main point. It said Mr M was aware for several years that the boiler could fail, needed to be replaced, and he had chosen not to pay for a replacement.

The parties completely disagree about whether or not Mr M was made aware a power flush was needed. BG said *"He reported a fault to us in November 2021. which we attended to and advised there was blockages that we did clear and confirmed to him a Powerflush was need. A Powerflush is needed when there is a build up of sludge in the system, which is not covered under the terms and conditions of his HomeCare Policy. If we advise a Powerflush is needed and the customer ignores this then we will refuse any future repairs to faults which are related to sludge."*

Aside from the 2016 point of telling Mr M the boiler needed replacing BG maintains that it did tell Mr M about the need for a power flush in November 2021. It's record from this point said *"code5 code6 cleared blockage from chb pipework & re-pres & vented air from sys.adv replace chb & pow."* BG say POW means powerflush.

I understand code6 refers to Mr M not accepting a *"heating upgrade quotation"*. Which again suggests BG did make him aware of the need for action regarding the system. BG said that these are pointed out specifically because these are costs that the policy doesn't cover, and a policyholder has to pay extra for this. BG also said a power flush would need to be done before it would fit any new parts and that *"the boiler would only last a few months before failing again"*. BG said it couldn't guarantee that even if Mr M had the work done that it would solve the issues with the boiler. It couldn't say how long it might last for. It said *"soon after doing this other things may go wrong where we cannot source parts or repair. (Nov we repaired main part PC Board and it has broken down again in April)"*. BG continued that when taking the boiler apart it may have found *"other issues that cannot be repaired, it would be a risk."*

I understand the point Mr M is making but based on the records provided by BG I've no reason to doubt that it did advise Mr M that action was required in both 2016 and 2021.

BG said it wasn't responsible for the cost of a new boiler and said this was clear under its terms and conditions. The policy said *"A replacement for your boiler if we can't repair it and: it's less than seven years old; or it's between seven and ten years old, we installed it and it's been continuously covered by us under either warranty or HomeCare product."*

Regarding the decision to then cancel the policy BG said it was clear the boiler wasn't suitable for cover. It pointed out within the policy wording it said: *"We can cancel your agreement or product if: we can't find the parts we need to repair your boiler, appliance or system, despite our attempts."* BG did repay Mr M the costs for the parts totalling £427.34. I don't think that decision is unreasonable in the circumstances. I think BG explained itself clearly and fairly.

In terms of the premium, BG said: *"we will refund any payments from the last renewal or last claim depending on which one is more recent."* This is in line with the terms and conditions I'd expect to see in a standard policy of this nature. BG said Mr M had paid £248.05 which

was 11 months of the policy years premium instalments. But it decided to refund him in full the amount of £270.60 for the total policy year. This was despite the claim being in the policy year. I think this was a fair and reasonable offer from BG based on the policy terms and conditions.

In view of the details from BG Mr M passed on further information which suggested a power flush wasn't needed. BG responded to say if Mr M had now replaced the boiler it couldn't reassess the original problem. Mr M said BG owed him a duty of care here, but I'm not sure how that takes his case forward as Mr M's original point was that BG hadn't told him a power flush was needed and he said that was why the system failed. Here he has produced evidence suggesting a power flush wasn't needed after all.

But in terms of the time spent by Mr M buying the obsolete parts so that BG could repair his boiler only for it then later on to decide it wasn't going to isn't fair. I do think Mr M has a reasonable argument here. Although I've accepted BG's conclusions, I don't see why it couldn't have made those conclusions much sooner. I do think Mr M suffered unreasonable delays and it would have been very disappointing to him when BG then did decide not to try and repair the boiler.

There's no doubt having no hot water and no heating is a big inconvenience. That is something that is part and parcel of this sort of situation when a claim of this type has to be made. But in view of BG's change of heart Mr M was delayed for a lot longer than he should have been. There's also discussion about missed appointments too. BG has paid £10 for one missed appointment but Mr M said there were several and it cost him more through lost days holidays when nobody from BG turned up. Mr M exemplified the missed appointments with details. These include *"I can only reiterate that there were many missed appointments including an example where I was telephoned on the day by BG engineers to tell me he would not be attending because he had unilaterally decided that it should be the original engineer and refused to turn up and honour the appointment after I pleaded with him."* And *"Another occasion I was at the house with an estate agent and between him arriving and leaving we found a note in the door from BG saying they had visited. The estate agent and I were in the front room for the entire 15min appointment and both of us agreed that BG had failed to knock/ring or call me on my mobile. the BG area technical manager told me he is not informed when his team miss appointments and so it appears there is no measure or penalty if they decide not to attend appointments."*

Whereas BG has produced a report that shows from its record that there was only one missed appointment and it paid £10 as compensation for this.

I asked our investigator to update the parties on my thoughts. To let them know I thought with the amount of time Mr M would have spent buying and sourcing the parts that BG chose not to use (but did pay him back for) was unreasonable. I said that the amount of time Mr M had no heating or hot water was also unreasonable. I note that both sides feel strongly about the amount of missed appointments and both have put forward points to dispute each other. However, I notified both sides that Mr M should get £150 compensation for the distress and inconvenience this caused him.

BG maintained that not more than one appointment was missed and it was willing to pay Mr M £75 for his distress and inconvenience but it didn't really pick up too much on the point about how long Mr M was without hot water and heating, it focused on the appointments issue. I've not seen anything in response that makes me think I need to vary the £150 amount.

Mr M has also referred to renting out the property and even selling the property. But I've not seen any evidence that would persuade me that he suffered such extensive losses.

Putting things right

Pay Ms M and Mr M £150 compensation for the distress and inconvenience caused.

My final decision

I uphold this complaint in part.

I require British Gas Insurance Limited to:

Pay Ms M and Mr M £150 compensation for the distress and inconvenience caused.

British Gas Insurance Limited must pay the compensation within 28 days of the date on which we tell it Ms M and Mr M accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M and Mr M to accept or reject my decision before 20 July 2023.

John Quinlan
Ombudsman