

The complaint

Mr I complains that British Gas Insurance Limited downgraded his boiler insurance cover unfairly.

Reference to British Gas includes its agents.

What happened

Mr I held a central heating insurance policy with British Gas.

When he installed a new boiler, British Gas carried out a first visit to check everything was working fine. It wasn't, and the heating system failed the checks on that first visit due to a leak.

As a consequence, British Gas reduced his level of cover from "Central Heating Breakdown cover" to "Gas Appliance Check".

Mr I wasn't happy about this and complained. He said he'd had issues with the central heating prior to installing the new boiler – he's said that's why he installed it in the first place. And he's said the issue that meant the checks failed on the first visit was shown to not be with the boiler, but with the central heating system itself, which hasn't been changed.

British gas didn't change its stance. It said it thinks the damage to the heating system was related to the new boiler installation. And it said any issue with the heating system now pre-dated the policy that was in place.

So, Mr I brought his complaint to us. Ultimately our investigator thought it should be upheld. He thought British Gas should reinstate the central heating breakdown cover, assess any claim against either this policy, or previous policies where cover was in place – i.e. not say the leak pre-dates this policy, and pay Mr I £150 compensation for the distress and inconvenience caused.

Mr I accepted this, British Gas didn't and asked for an ombudsman's decision. It maintained the issue with the central heating was most likely to have been caused by the installation of the new boiler.

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 upholding it. I'll explain why.

- I understand the need for British gas to carry out a visit following the installation of the new boiler.
- This visit found a fault with the system. But I don't think it's fair that British Gas reduce the level of cover as a result.

- This is because from everything I've seen, I'm not persuaded the issue has been caused, or is related to the installation of the new boiler.
- I understand British Gas's reasons for thinking it is, but Mr I has said there were issues with the system prior to the installation – that's why he installed a new boiler to begin with. And it's been confirmed the issue is not with the boiler, but with the remaining part of the central heating system that wasn't changed.
- I note that no claim has been made relating to this issue prior to the new boiler being installed, but that doesn't mean there was no issue. And I find Mr I's account of events plausible.
- So, I think the fair thing would be to reinstate the central heating breakdown cover from renewal.
- Because Mr I has had continuous cover, I don't think it fair to say the issue he's experiencing predates his cover. Unless British Gas can show it pre-dates the first policy he took out with it.
- So, any claim for the central heating issue should be assessed in line with the remaining terms of the policy.
- Having your cover reduced will have been distressing for Mr I. I agree that £150 compensation is a fair amount to pay to acknowledge this.

My final decision

My final decision is that I uphold this complaint. To put things right I require British Gas Insurance Limited to:

- Reinstate the central heating breakdown cover from when it was downgraded to Gas Appliance Check cover.
- Assess any claim (should one be made) for the leak, in line with the policy conditions, not relying on the clause excluding pre-existing damage.
- Pay Mr I £150 compensation.

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

Joe Thornley
Ombudsman