

## **The complaint**

Mr S is unhappy that British Gas Insurance Limited won't pay his claim for a solar thermal element under his BG HomeCare policy.

## **What happened**

Mr S contacted BG as there was a fault and his water wasn't heating up. Mr S said there was a delay of several months after this before BG told him that he wasn't covered under the policy for a repair. BG said that solar panels weren't covered. It said the solar panels were only covered for the first 5 years following installation and that installation took place around 2008. BG said the solar panels were only ever covered under the manufacturers guarantee.

Mr S didn't accept this. He said this was a valid part of his heating and water system in the same way as an immersion heater would be. He brought a complaint to this service.

Our investigator upheld the complaint. She said when BG installed Mr S's entire system upgrade the policy documents showed he was covered for the solar panels. Our investigator noticed that up to 2014 policy documents show Mr S was covered and BG only removed the cover for solar panels in 2015/6. She said this was a significant change and BG needed to show it had highlighted the significant change to Mr S. BG provided no evidence of this and instead said it was down to the policyholder to read and check their documentation at each renewal to make sure cover was still appropriate for them. Our investigator checked with Mr S and accepted that if he had been made aware of the policy changes, he would have sought alternative cover. She felt BG had prejudiced Mr S's position and it needed to arrange a repair. Our investigator said the £130 offered as compensation for the service and inconvenience was reasonable.

BG didn't accept this and asked for the 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.

BG is adamant that it is down to policyholders to check their terms and conditions every year when the renewal documents are sent to them. In this case the earlier policy documents terms and conditions said:

*“If we have installed it, we will also repair any electric system and repair and maintain a solar thermal system and their cylinders and controls.”*

I think this wording is clear - solar thermal systems were covered under the policy that Mr S bought.

Mr S said that as he saw it BG fitted a complete central heating and hot water system in 2008 and so the HomeCare policy he had would cover him and deal with any system problems. I think that's a reasonable assumption.

I think BG accept that it did install the system for Mr S back in 2008. And Mr S said he has had a HomeCare policy for roughly 27 years. So, based on the wording that applied and Mr S having the system installed by BG I totally understand his position that he thinks he is covered, and BG should pay his claim.

BG said it has never covered solar panels – despite what the policy wording above states.

BG can vary the policy terms and conditions at policy renewal it is perfectly entitled to do that. But it must do so in a fair and reasonable way. So, I need to consider is it reasonable for BG to install a solar thermal system for Mr S, give him an insurance policy to cover that system and then to remove cover without pointing out that Mr S was now paying for a policy that didn't cover all of the installation BG fitted for him. On balance, I don't think that's fair or reasonable.

To me BG has removed the choice from Mr S here. If it contacted him to say it was changing the terms and conditions and it no longer offered cover for Mr S's solar thermal system as part of the policy then it might be different. At that point Mr S would have had a choice and he could have made an informed decision. BG didn't do that. It removed the cover, a significant part of the policy, never highlighted it to Mr S, and continued to offer renewals. In this case I don't think BG has acted fairly or reasonably.

BG suggest the updated policy documents with the colour coded diagrams showing what is covered and what isn't covered is enough. I think there might be circumstances where that is true but this case isn't one of them. Also, the wording needs to back up the diagram and I'm not sure that it does.

I think the fair and reasonable outcome is for BG to pay for the required repairs to deal with Mr S's claim.

In view of the issues the claim caused I'm pleased to see that BG offered firstly £30 compensation and then a further £100 to make a total of £130. In view of the upset caused to Mr S by the way BG handled his claim and the delays caused I think that's reasonable compensation. I'm unsure if BG has paid this amount to Mr S so if any money is outstanding BG should pay it as soon as possible.

### **Putting things right**

- Pay for the required repairs to deal with Mr S's claim.
- Pay the £130 compensation if it hasn't already done so.

### **My final decision**

I uphold this complaint.

I require British Gas Insurance Limited to:

- Pay for the required repairs to deal with Mr S's claim.
- Pay the £130 compensation if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 June 2023.

John Quinlan  
**Ombudsman**