

The complaint

Mr G complains that British Gas Insurance Limited (BG) sold him a boiler cover policy different to the one he'd asked for.

What happened

In November 2021, Mr G contacted BG to take out boiler cover for his tenanted property. He told BG that the boiler had a fault so he wanted the Repair and Cover policy. Mr G said he checked three times during the call that the new policy covered the existing repair. The first engineer appointment was arranged for a few days later.

The engineer inspected the boiler and told Mr G that the required parts would be ordered.

At the beginning of January 2022, the second engineer visited, but didn't bring the parts. The engineer said the boiler was faulty and wasn't covered under his HomeCare Four policy. The second engineer didn't carry out the repair.

At this point Mr G found his policy wasn't the one he'd asked for and didn't include cover for the initial repair. He complained to BG.

When BG reattended in February, it declared the boiler in satisfactory working condition and issued the associated landlord certificate.

Mr G explained that he'd had a temporary fix done by a third-party engineer and he thought BG should cover the repair cost. He complained about the way it had dealt with his boiler claim and the policy sale.

BG looked into Mr G's complaint. It agreed there'd been some mistakes around the engineer visits, stating that the first visit was the one when it should've told Mr G his boiler wasn't covered. BG's final offer was to pay Mr G £120 to cover what he'd paid his own engineer to fix the boiler, and a further £170 by way of apology for the service shortfalls.

But Mr G didn't think BG had done enough and he brought the following issues of complaint to us.

- BG didn't listen to the sales call after he'd asked it to on a number of occasions.
- Its mistakes caused a delay getting his boiler fixed.
- BG only covered the cost of the temporary fix his engineer had done.
- BG wouldn't cover the cost of the parts needed to complete the repair its first engineer diagnosed.

Our investigator didn't uphold Mr G's complaint. She agreed that BG hadn't handled matters well, but she thought its total payment of £290 was fair. Therefore, our investigator didn't think BG needed to do any more.

Mr G didn't agree and he asked for further consideration of the policy sale and the payments BG said it had made to him.

I issued a provisional decision in May 2023 explaining that I thought BG had done enough to put matters right. Here's what I said:

provisional findings

I've provisionally decided that BG did something wrong, but it has made a fair offer to put things right. While this is a different outcome to the one our investigator reached, I don't plan to ask BG to do any more than it has already offered. I've relied on additional reasons and evidence, so I consider it fair that each party has a further opportunity to comment.

In light of all the evidence, I'm minded to accept Mr G's version of events in respect of the policy he asked to buy. He's consistently said he asked for the Repair and Cover (R&C) policy, which would've allowed BG to charge him a fixed fee to repair his faulty boiler before providing cover. The call recording is no longer available, but the evidence suggests BG didn't listen to it when it would've been available even though Mr G asked it to. The first engineer appears to have acted in line with the R&C process. I see no reason to doubt the accuracy of Mr G's recollection of events, so I've accepted that he asked for the R&C policy.

My role now is to consider whether Mr G suffered any avoidable loss or inconvenience because of BG's failure to provide the policy he asked for.

What should've happened

BG said it would've charged a fixed fee for the initial boiler repair followed by 12 monthly payments. BG confirmed the fixed fee would've been around £100, and the monthly payments would've been a minimum of £27.50 providing ongoing Central Heating Breakdown (CHB) cover. Both payments would've been subject to the outcome of the initial boiler check.

Regardless of the actual amount, the outcome of buying the R&C policy would most likely have been a first engineer visit to determine the repairs followed by, where necessary, a second visit once the ordered parts had arrived to complete the repair. Mr G would've had a working boiler and CHB cover in place for 12 months at a total cost to him of around £430.

What actually happened

Mr G believed he'd bought the R&C policy. The first engineer visited within a few days and ordered the necessary parts. This is in keeping with what should've happened.

The second engineer visited but didn't bring the parts or fix the boiler. Instead, the engineer reported that it was the first visit, and the boiler was deemed outside the HomeCare Four (HC4) policy cover. Mr G arranged a temporary repair with a third-party engineer, costing him £120.

Although BG began by following the expected route for a R&C policy, it's clear that BG then handled Mr G's claim, at least in part, in line with the HC4 policy. The policy documents BG sent to Mr G showed he had a HC4 policy, costing £185 for the full year.

Inconsistencies

BG's actions haven't been consistent with the R&C policy or the HC4 policy. For example, under the HC4 policy, if BG had identified at the first visit that the boiler wasn't working correctly – it had an existing fault - the terms of the policy state that cover would be cancelled, and the premium refunded to Mr G. That didn't happen.

Under the R&C policy, BG should've checked Mr G's boiler and identified the repairs needed. BG should've confirmed the fixed fee and monthly payments, but it didn't do that either. Its first engineer ordered the necessary parts, but the second engineer said the fault wasn't covered and didn't complete the repair.

Given that BG didn't consistently apply the terms of either policy, I'm satisfied that it needed to put matters right for Mr G.

Moving on, then, I've thought about what BG did to resolve matters and whether it's enough given the inconvenience caused.

Policy cost

Looking firstly at the costs, if BG had provided Mr G with the R&C policy he'd asked for, he'd have paid a minimum yearly total of £430 for the fixed fee and monthly costs. Mr G would also have had a working boiler.

BG set up and charged Mr G for a HC4 policy at a total yearly cost of £185. But the cost didn't include the initial repair. Mr G paid £120 for what he believed was a temporary repair. So, because BG incorrectly placed him on the HC4 policy, Mr G paid a total of £305. BG agreed to refund the boiler repair cost, meaning his total payment for the year was just the policy fee of £185. From a pure cost perspective then, BG's mistake didn't cause Mr G any financial loss. Indeed, it meant he hadn't paid at least £245 of what he would've paid for the R&C policy.

Boiler repair

But Mr G didn't think that was enough because it left him without a fully repaired boiler. I asked for an update on any additional costs he incurred for a permanent/lasting repair and Mr G confirmed that the boiler had continued to work for the rest of the policy year without need of further repair.

Looking at the terms of both the R&C and HC4 policies, any repairs are guaranteed for 12 months. I wouldn't expect BG to guarantee repairs to be permanent, but they should be lasting. The guarantee is for 12 months, and Mr G's temporary repair has lasted more than 12 months. Therefore, I'm satisfied that the repair cost BG reimbursed was for a lasting repair.

This is supported by the check BG carried out after Mr G's engineer completed the repair when it issued confirmation that the boiler was in working order.

I understand that Mr G was unhappy that all the repairs BG listed as necessary weren't covered by the temporary repair reimbursement. But, as he confirmed the boiler continued to work after the repair, and he hasn't incurred any further costs, I can't reasonably ask BG to pay Mr G any more.

BG confirmed that Mr G still has HC4 cover and that the boiler was working. Therefore, if the boiler needs any further repairs within the current policy year, Mr G would be able to make a claim, and BG would consider it in line with the policy terms and conditions.

Compensation

Mr G made BG aware that his tenants didn't have proper use of the boiler during the period between his claim and the temporary repair. The boiler was faulty before Mr G contacted BG for the R&C policy. When he did ask for the policy, it was during the peak of winter and a public holiday period, so I can't reasonably hold BG responsible for the delay in availability of parts. But I do think the delay of around five weeks from BG's second visit to the temporary/lasting repair was avoidable. BG agreed to pay £170 compensation for its shortfalls and for the distress and inconvenience he experienced during that time.

I've taken the following into consideration:

- *BG's mistake resulted in Mr G paying £245 less for the policy he had than the policy he'd asked for.*
- *BG reimbursed the £120 cost of what now turns out was a lasting repair.*
- *Mr G paid £185 for HC4 cover, which provided a greater level of cover than the policy he'd asked for. After the reimbursement, the overall cost to him was £65 for the policy year.*
- *BG's offer of £170 for the inconvenience caused.*

I'm satisfied that the evidence shows BG's mistake of placing him on the HC4 policy instead of the R&C policy didn't cause Mr G any direct financial loss. And its compensation offer is in line with what I would've required for the inconvenience evidenced here.

I said that I wasn't intending to ask BG to do any more than it had already done to put matters right, and I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

BG didn't have anything further to add.

Mr G didn't agree with my provisional decision, and he made five comments which I'll address below.

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've decided not to uphold Mr G's complaint for the same reasons I set out in my provisional decision.

Mr G said his complaint was about mis-selling and has been from the beginning. He also commented on what he considers to be systemic malpractice.

As I explained in my provisional decision, I accepted that BG didn't provide the policy he'd asked for. So, I went on to consider whether Mr G was treated fairly once BG was made aware of that and whether Mr G suffered any loss as a direct result. My consideration is of Mr G's complaint only, and any award is based on matters affecting him directly. I won't be addressing any concerns of a systemic issue in my decision.

Mr G said the correct policy would've cost £100 in addition to that already paid, so he disagrees with the cost analysis.

While Mr G may have understood that would be the case, both BG's website and its agents confirmed there'd also be monthly payments thereafter, and for a lower level of cover than

Mr G had. Therefore, I can't agree that the policy Mr G wanted would've just cost him £100 more.

Although BG made offers, Mr G said he hasn't received the payments.

My decision is based on the understanding that BG will pay/has paid what it offered. Unless Mr G accepts my decision, it's not within my remit to ask BG to pay anything. But if Mr G does accept my decision, then any offers BG made which I've taken into consideration should be paid.

In my provisional decision, I looked at the cost of the policy to Mr G, but he said BG lied about the cost to him being £245 less.

To be clear, I asked BG for the price of the R&C policy which Mr G would've paid for had he been put on the correct policy. I haven't seen any evidence to suggest that BG provided incorrect information, and it was supported by the online information. I went on to calculate the costs to determine whether Mr G had lost out because of BG's mistakes, so BG didn't provide me with the £245 figure I quoted.

I've looked again at the cost comparison, and I remain satisfied that Mr G didn't lose out financially because of BG's mistake.

Finally, Mr G said the compensation doesn't address the worry he suffered knowing there was a baby in the house during the peak of winter but without sufficient hot water.

While I understand that Mr G's tenants will have been affected by the matter, my consideration is only of the impact BG's mistake had on Mr G directly. I can't require BG to compensate him for any distress his tenants experienced.

Having considered Mr G's comments, I'm not persuaded that any change in outcome is warranted, and I remain satisfied that BG made a fair offer to resolve the complaint.

My final decision

For the reasons I've explained above, and in my provisional decision, I'm satisfied that British Gas Insurance Limited made a fair offer to put matters right, so I'm not asking it to do any more.

Therefore, I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 19 July 2023.

Debra Vaughan
Ombudsman