

The complaint

Mrs B complains about British Gas Insurance Limited (BG) about the poor service she experienced, following a claim under her home emergency policy.

What happened

Mrs B held a home emergency policy with BG for several years. She noted that her boiler had broken down and made a claim. BG sent the first engineer who noticed that the boiler hadn't had an annual service. He carried out an annual service and said that he had fixed the issue with the boiler.

After he had left Mrs B attempted to operate the boiler, but it just showed error messages instead. She contacted BG who sent a further engineer. During the course of the repair, he reported to Mrs B that the heat exchanger was corroded, which led to a leak due to sludge being present. Mrs B describes that engineer, showing her a large amount of sludge that he removed.

The engineer also discovered that the boiler case was damaged and as a result, condemned the boiler. This meant that Mrs B was unable to have heating or hot water from the boiler. And the engineer didn't check that Mrs B's emersion heater was connected, to keep hot water on in the meantime.

Mrs B found an independent engineer who attended and connected the emersion. That engineer also provided Mrs B with a new quote for a new boiler. BG contacted Mrs B to offer to replace the boiler at a discounted rate and much quicker than the independent engineer, but Mrs B refused this service and raised a complaint.

During the complaint she also pointed out that she had had annual services before and been a customer of BG for many years. She felt that BG ought to have picked up on the issues with her boiler much sooner, especially as she had been left without heating and hot water. She also explained that she had instructed a third-party engineer to connect the emersion and provide a new boiler.

In its final response, BG apologised for the poor service issues she had experienced. It offered and paid £102.95 – which were the costs incurred by Mrs B for the connection of the emersion heater. It also offered £100 compensation for the trouble and upset caused. Mrs B had been given her referral rights and as she remained unhappy with the resolution, she referred a complaint to our service. She wanted BG to pay for the cost of a new boiler, as she felt it should have identified the issues with her boiler much earlier, than it did.

One of our investigators considered the complaint and didn't think it should be upheld. His view was that Mrs B had experienced poor service from BG. But the £100 compensation offered was fair and reasonable. He also said that previously Mrs B had been advised to upgrade her heating system, which she didn't do. And because her boiler at the time was over 10 years old, her policy didn't cover for a replacement. He further found that BG had

been fair to offer a replacement boiler at a discount and quicker than the third-party engineer could install one. So, there was nothing further he could recommend that BG do.

BG accepted the view, Mrs B did not. She disputed that there had been anything previously wrong with her boiler and pointed out that when it was serviced just before it broke down, it was given a clean bill of health. She said that had she been previously told that it needed an upgrade she would've done so. She said she was upset by BG's actions, she felt that its main concern was to quote and supply her a new boiler, rather than repair her existing boiler. She also pointed out that its engineer failed to connect her to the emersion heater. So, she asked for a decision from an 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.

Having done so, I won't uphold this complaint, for much the same reasons as our investigator. I understand that this might be a disappointment to Mrs B, but I hope my findings go some way in explaining why I've reached this decision.

BG and Mrs B agree that she was provided with poor service. The service she received from the first engineer it sent was below standard, primarily due to the failure of him ensuring that Mrs B's emersion heater was connected, so that Mrs B was able to have hot water. I can see that the independent engineer that Mrs B instructed, eventually connected the emersion heater, at a cost of £102.95. BG has reimbursed this cost, which I think is fair. So, for this there is nothing further that I can reasonably recommend it to do.

In addition to the reimbursement, BG recognised the impact of its error on Mrs B and offered and paid compensation of £100, for the trouble and upset this caused. Having reviewed our strict guidelines on compensation awards, I'm satisfied that the error caused Mrs B more than the levels of frustration and annoyance you might reasonably expect from day-to-day-life. And that the impact was more than just minimal. Therefore, I think the £100 offered is fair and in line with our awards for the distress and inconvenience caused.

I've next considered whether BG ought to pay for a new boiler. Mrs B said that had she been previously aware that her boiler needed to be upgraded, she would've done so. She also said that BG at no time made her aware that there were potential issues with her boiler. She pointed out that before it broke down, it had been serviced and there were no issues raised with her.

BG said that during an annual service the boiler is not taken apart and this would have been a way to have seen whether there was sludge in the system. It said that when the boiler broke down, what was found was corrosion to the heat exchanger, which caused a leak. The leak was caused by the presence of sludge.

I have reviewed the work records, which are completed by the engineer contemporaneously, after a visit has occurred. In addition, Mrs B provided me with two previous BG engineer's reports, that detailed what was found following an annual service. Apart from two occasions, when it is mentioned that a filter was cleaned, I can't see that BG previously advised Mrs B that her system would need to be upgraded. I note that on one of the engineer's report, this did advise in 2022, about the age of Mrs B's boiler, but nothing further is indicated on the paperwork.

I asked BG to explain why on previous annual services, the build-up of sludge wasn't advised to Mrs B. It explained that during annual services, boilers are not routinely dismantled. When its engineer attended at that time, all elements that were checked during a boiler service were passed. But it appears that following on from the annual service, the boiler broke down due to the failure of the heat exchanger, that ultimately caused a leak, corrosion, and the presence of sludge. In addition, the age of Mrs B's boiler was far in excess of 15 years old, and this too would've been a factor.

I haven't been provided with enough evidence from Mrs B that refutes what BG has said. I think it's likely had there been significant sludge in the system, the functionality of the boiler and radiators would've been affected. I think in this complaint, the boiler was clearly affected as it leaked, there was corrosion, and the heat exchanger was damaged. I can't say when this would've occurred, but I do agree that during an annual service, it is unlikely that this would've been picked up, unless there was some other issue with the system.

Consequently, although I accept there wasn't any prior notice given to Mrs B about an upgrade to her system, I don't think that BG were at fault, as the issue with Mrs B's boiler presented just before the second engineer attended.

I understand that Mrs B would like BG to reimburse the costs she incurred in replacing her boiler. So, I've looked at the policy terms and conditions, to see what BG's obligations were under it. The policy states:

'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 a warranty or Home Care product.'*

Mrs B's boiler at the time was in excess of 15 years old. The average lifespan of a boiler is between 8-10 years. The policy that Mrs B held didn't provide cover for a boiler replacement at all, given the age of her boiler. So, I don't think it's reasonable or fair for BG to be asked to contribute or reimburse Mrs B's costs, as the policy she held, provided no cover for this.

I note that BG offered Mrs B a discounted boiler and to install it within a reasonable timeframe. But I can understand why Mrs B declined BG's offer.

I do find for the service failings that the amount of compensation offered is fair and in line with our services guidance on compensation awards. So, I won't be asking BG to increase this further. I also think that it's fair for BG to have reimbursed Mrs B's costs regarding the failure of the first engineer to adequately deal with the immersion heater.

I acknowledge Mrs B's strength of feeling about this complaint and the reason why she referred it to our service. But, in the overall circumstances of this complaint, I haven't seen enough evidence to show that BG acted unfairly. I'm therefore not going to tell it to do anything further here.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

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

Ayisha Savage
Ombudsman