

The complaint

Mrs D complains about British Gas Insurance Limited's (BG) poor service following a claim under her home emergency policy.

What happened

Mrs D held a home emergency policy with BG and had been a customer for over 10 years. During this time Mrs D experienced issues with her boiler and heating system. Over the years BG had attended and carried out a power flush, as well as additional flushes in an attempt to clear blockages that had formed in the system. And resulted in some radiators not heating efficiently.

BG said that since 2015, it had advised Mrs D to replace her boiler as the boiler was on its reduced parts list (which meant that it was difficult to source parts for repairs to the boiler). It also advised her in 2018 that there was likely an issue with her pipes in her home, which would mean that the pipes would need to be replaced (or re-piped). As BG classed the re-piping as an upgrade, this wouldn't have been covered under Mrs D's policy. And would mean that she would have to pay for this work to be carried out.

In 2022, Mrs D contacted BG as she had some radiators that emitted poor heat. BG sent an engineer who advised that Mrs D would need her pipes replaced. But also said that a second opinion would be sought from a senior engineer.

BG sent the senior engineer a few days later and after he inspected the system, he advised that she needed to replace her boiler. Mrs D followed BG's advice and had the boiler replaced, which she paid for.

Mrs D said that despite the boiler being replaced, the same issue occurred. So, she raised a complaint to BG. She said that had BG not advised her to replace her boiler (that she said was working perfectly) she would've had enough money to pay for the pipes to be replaced. She felt that due to the error, BG ought to refund her the cost of the boiler installation, so that she was able to pay for the pipes to be replaced.

In its final response, BG said that it had previously recommended that the boiler be replaced due to the age and efficiency. It also said that it had given the correct advice regarding the pipework. It noted that there had been a power flush carried out in 2013, that hadn't been successful and for this, it refunded Mrs D £618.99. But would not agree to any further compensation.

Mrs D was unhappy with the outcome and referred her complaint to our service. One of our investigators considered the complaint and ultimately recommended that BG pay Mrs D £600 compensation, due to BG not taking reasonable action in 2018, when it recommended that Mrs D replace her pipes. She thought that BG was fair not to refund the boiler installation costs, as BG had, since 2015, recommended that Mrs D replace the boiler.

Both parties didn't agree with the view. BG had previously indicated that it would pay Mrs D £200 compensation for the trouble and upset caused. It said that it had done everything that it could do, from power flushes to re-flushes. It had recommended that Mrs D re-pipe her home since 2018 and twice in 2022. But had still attended despite the policy terms and conditions, that stated that where it recommended to make improvements to the system, and the recommendation wasn't followed, it mightn't attend until the improvement had been completed. It also stated that the re-piping was an improvement to the system which wouldn't be covered under the policy.

Mrs D said that had BG carried out the power flushes and re-flushes correctly, then she believed that there wouldn't be an issue with the pipes at all. And to replace the pipework in her home would be very expensive.

So, both parties 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.

I considered the complaint, and I thought the complaint should be partially upheld. I issued a provisional decision on 7 August 2023 and asked both parties to send me anything else by 4 September 2023. In my provisional decision I said:

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of the complaint.

Having done so, I'm minded to partially uphold this complaint. I understand that this is likely to be a disappointment to Mrs D, but I hope my provisional findings explain why I think this is fair.

I have considered all the comments from both parties, as well as the policy terms and conditions. I think the main issue of this complaint is whether BG had acted promptly and took reasonable action when dealing with Mrs D's pipework.

Dealing with the issue of whether BG ought to refund Mrs D the cost of the boiler (including the installation), I'm satisfied that BG were fair in not refunding this cost. Since 2015, BG had advised Mrs D that she would need to replace her boiler, due to its age, efficiency and because it had been placed on a reduced parts list. Although, I understand that Mrs D said that the boiler was still operational, I don't think that BG were incorrect to recommend its replacement, given the reasons it outlined.

I've next looked at whether BG had acted promptly regarding the pipework issue. Mrs D said that had BG carried out the power flush and re-flushes correctly, she would not have needed to replace her pipework.

Apart from the power flush that had been carried out in 2013, in which BG accepted that this one had failed, I haven't been provided with any expert evidence from Mrs D, that could support her contention that the power flushes or the re-flushes had failed.

BG has refunded Mrs D £618.99 for the failed power flush, which I think is fair. I have reviewed the work history record and I can see that in 2018, there were three flushes that took place. But following on from this the next flush took place in 2021. From the evidence, I

think that this shows that the flushes were successful as it appears to have cleared the blockage for a while, before Mrs D had to call BG again. So, unless Mrs D has or can provide expert evidence that is to the contrary, then I'm satisfied that BG had correctly carried out the flushes as and when it needed to.

In addition, BG said that the re-flushes often were carried out on different sections of piping. So, I don't think it was the same area, all the time, that had a re-flush being carried out.

Turning to the actions that BG took regarding Mrs D's pipework. In 2018, BG attended Mrs D's home. On the work history record that I have reviewed it said that the BG engineer had advised Mrs D to re-pipe her home. It stated that a re-flush had been carried out and Mrs D hadn't accepted the advice to re-pipe her home. Then again in 2021, Mrs D was advised that a re-pipe was required and finally in 2022, Mrs D was advised again that a re-pipe was required.

BG said that a re-pipe would be classed as an upgrade to Mrs D's system and as such, it wouldn't be covered under the policy and would be chargeable. Given that Mrs D had been advised since 2018 to re-pipe her home and she chose not to do so, I can't agree that BG were at fault here.

But BG did advise her to change the boiler in 2022, which didn't resolve the issue with the pipes. And as it agreed to pay £200 for compensation for this poor service, I think it's fair that BG pay Mrs D £200 for the trouble and upset this caused.

Taking everything into consideration, I don't think it's fair for BG to reimburse the cost of the boiler and its installation. I do think it's reasonable for BG to pay Mrs D £200 compensation for the trouble and upset caused by not advising the re-piping work sooner.

I appreciate that Mrs D would've liked BG to refund the boiler, which would've meant that she could then pay for her pipework. But I think that BG had informed Mrs D on a few occasions that her pipework needed replacing, so it wouldn't be fair to recommend that it reimburse the new boiler costs.

Responses to my provisional decision

BG accepted the provisional decision.

Mrs D made a number of detailed comments. Essentially, she did not agree with my provisional decision. I have carefully considered all of the comments that Mrs D has made. But, as an informal dispute resolution service, it isn't necessary for us to address each, and every point raised. I hope that Mrs D doesn't take exception to this, but I've outlined a summary of the comments she has made.

Mrs D felt that BG's record keeping wasn't transparent to its customers. That when its engineers had attended, they had merely told her verbally that there might be an issue with her pipes, on the basis of hearsay (she felt), without actually inspecting the pipes. She said that some of the re-flushes (as they were small) were ineffective as she had been led to believe this from the BG engineers. She question why this hadn't been reflected in any of the BG paperwork, that could be visible to its customers.

Mrs D also said that the engineer who requested a second opinion from a senior engineer, wouldn't commit to a diagnosis, otherwise she question why a senior engineer was required at all. Finally, Mrs D reiterated that BG weren't transparent to its customers, and this was unfair and perhaps illegal. As it left its customers unprotected and improvements to this were needed here.

I have carefully considered the further comments that Mrs D made. And because of the comments, I asked BG to respond to them.

BG replied. It said that its engineer's usually leave checklists at customer's properties during their visit. There was a period of time when the sheets were not left due to COVID, so it is possible that none were left on some occasions. It doesn't hold copies of the checklists so we wouldn't know exactly when ones were left and which ones weren't, if any.

The engineers complete the record in their van after leaving the property – this is completed usually outside the property before finally leaving.

There were no follow up letters or emails that would've been sent to Mrs D after any visits, as this wasn't part of its processes and any information would've been discussed with her, at the time of the visit.

There could be a number of reasons why a senior engineer had to attend – the customer requested one, they could be more experienced and had been brought in to see if anything different could be found. In this instance, it would've been due to the multiple visits to try and help find the root cause of the issue.

BG also confirmed that prior to the current complaint there hadn't been any complaints from Mrs D.

From the information from BG, I think it's more likely than not that Mrs D was given a checklist, as well as being told verbally (which she confirmed) as to what the issue was and what was done.

Further, I'm satisfied that after each visit a contemporaneous note was made by the BG engineer, that detailed what had taken place during the visit. This note is the one that I have read.

Consequently, as Mrs D was informed after each visit about what had taken place during the visit, I don't think BG were unreasonable not to have emailed or contacted Mrs D further. Also, I don't think it's likely that the engineer wouldn't have completed the attendance log correctly. And although, BG stated that during COVID it was unlikely that Mrs D would've been given a checklist, having reviewed the dates, many of the times that BG attended Mrs D, and given advice regarding her boiler change or re-piping, pre-date COVID.

I understand that Mrs D questioned why a senior engineer had to attend. But as BG said, given the number of occasions that BG had attended her home for the issues regarding the re-piping and boiler, I think that it wasn't unreasonable for BG to send a senior engineer to carry out further investigations.

I appreciate that Mrs D would've liked BG to refund the boiler, as this would mean that she would be able to then pay for her pipework. But I think that BG had informed Mrs D on a few occasions that her pipework needed replacing, and I haven't seen enough evidence from Mrs D to support that it's fair for me to recommend that BG reimburse her new boiler costs.

In the circumstances, I do think that BG ought to pay Mrs D compensation of £200 for the trouble and upset caused. But I don't think its reasonable that BG reimburse Mrs D's costs for her new boiler. I appreciate that this isn't the outcome that Mrs D would've liked. But I'm satisfied that BG wasn't unfair when it didn't agree to reimburse, Mrs D's installation costs for the new boiler.

Putting things right

So, to put matters right, I think it's fair and reasonable for BG to pay Mrs D £200 compensation for the trouble and upset caused.

My final decision

For the reasons given, I partially uphold Mrs D's complaint.

To put matters right, British Gas Insurance Limited to:

Pay Mrs D £200 compensation for the trouble and upset caused.

British Gas Insurance Limited must pay the above compensation within 28 days of the date on which we tell it Mrs D accepts my final decision. If it pays later than this it must also pay interest 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 Mrs D to accept or reject my decision before 22 September 2023.

Ayisha Savage
Ombudsman