

The complaint

Mr K complains that British Gas Insurance Limited (British Gas) failed to repair his boiler in accordance with the terms of his home emergency insurance policy.

What happened

Mr K had had home emergency policies with British Gas for a number of years. The policy to which this complaint relates was renewed in October 2022 and included cover for Mr K's boiler.

On a visit to Mr K's home on 8 November 2022, a British Gas engineer identified a leak in the boiler's heat exchanger but said the heat exchanger was inaccessible.

What happened next is disputed. British Gas says it advised Mr K he had two options. Either (i) British Gas could repair his boiler, which would involve taking it out of its housing (which is what made it inaccessible), changing the part and returning it to the housing or (ii) Mr K could buy a new boiler. British Gas says Mr K turned down the repair option and chose to buy a new boiler.

Mr K says British Gas didn't offer to repair his boiler. He says the engineer in consultation with her manager decided not to carry out the repair and advised him to buy a new boiler and install it in a different place.

When Mr K complained to British Gas about its failure to repair his boiler, it said the boiler should never have been on cover in the first place because it was inaccessible. British Gas has since told us it's been saying Mr K needed a new boiler since 2015.

In response to Mr K's complaint, British Gas said it would pay him the cost of replacing the heat exchanger, as this was the repair it would've carried out if it could've gained access. And British Gas said it would refund Mr K his monthly policy premiums for October and November 2022 (I understand his policy was cancelled in early December 2022). British Gas has since paid Mr K £750 and £107.60 for each of these things.

Unhappy with British Gas' response, Mr K brought his complaint to us. He says his new boiler, which he got from a different supplier, cost him over £3,500. Mr K would like additional compensation of £1,500 from British Gas for not repairing his boiler.

The investigator who looked at Mr K's complaint didn't uphold it. He thought British Gas had been reasonable in refunding the policy premiums and in paying Mr K the cost it would've incurred in fixing the boiler – even though, in our investigator's view, Mr K had turned down its repair offer.

Mr K disagreed. He maintained British Gas didn't offer to repair his boiler and he sent us the engineer's visit report to back up what he said. So Mr K's complaint came to me to decide.

In my provisional decision of 19 July 2023, I explained why I intended to uphold Mr K's complaint. Mr K has given us his thoughts on my provisional decision, including that he's

unhappy with the amount of compensation I said I intended to award him. British Gas has accepted my provisional decision. So Mr K's complaint has now come to me 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.

Having done so, I've decided to uphold Mr K's complaint. As I explained in my provisional decision, I don't think it's likely British Gas clearly explained to Mr K he could have his boiler repaired. In that decision, I said:

"British Gas has shown us its job history for Mr K's policies since 2015. In the notes following her visit on 8 November 2022, the British Gas engineer said: "CODE3 heat exchanger leaking/fitted parts/no access to replace heat exchanger/new boiler req".

British Gas subsequently asked the manager with whom the engineer spoke on the day she visited Mr K's home for his recollection of events. He said:

"[The engineer] spoke to myself while on this job and run it by me. The access to the boiler is poor and should never have been on contract however because it has been I said we would have to do the job, speaking to another CDM we decided the best course of action would be to remove the boiler change the parts and then put it back. Being a 2 man job.

I informed [the engineer] of this while she was at the property and said she may also want to advise the customer that due to the age it may be worth getting a new boiler and if they decide to do this look at moving the boiler to a better position.

[The engineer] rung me back after speaking with the customer and advised he was going down the new boiler route, she explained to me she wanted my thought in case it come back in after the quote of a new boiler or if she received a complaint for the time she had spent there trying to fix it. She had also put "new boiler req" on her job report as when leaving there this was the route the customer was taking."

British Gas has also shown us screenshots of text messages from the manager's mobile phone. There are photos of the boiler, a comment from the engineer that the heat exchanger is leaking and a question about how she could get the heat exchanger out to replace it. The manager texted back saying it looked like it could only be done if there was space to get the boiler off the wall. British Gas says it's confident its engineer would've been speaking with Mr K while on site and explaining British Gas was proposing to attempt a repair.

Mr K's recollection of what happened is different. In a letter of complaint to British Gas dated 18 November 2022 – so just 10 days after the engineer's visit – Mr K said:

"The engineer in consultation with her manager decided not to carry out the repair and advised us to buy a new boiler from British Gas and to install in a different location..."

In the same letter, Mr K goes on to say he's had to buy a new boiler at a cost of £3,500 from another supplier and says this could've been avoided "if the Engineer, obliged under contract, repair the boiler by, if necessary, fully dismantle it and reinstalled it."

Mr K has also sent us the visit report the engineer left with him on 8 November. In the comments section, the engineer's handwritten notes say:

“Boiler full of water. Replaced parts. Still non-operational. Heat exchanger leaking – unable to repair due to boiler position/poor access. New boiler req.”

I can't know for sure what British Gas did or didn't say to Mr K about a boiler repair. And I'm conscious people can often come away from meetings with entirely different recollections of what happened – and with the recollections on all sides honestly held. But, since I wasn't there, what I must do is look at all the available evidence and decide, on the balance of probabilities, what I think is most likely to have happened.

I don't doubt there was a conversation between the British Gas engineer and her manager about a possible repair to the boiler. What I'm more doubtful about is how effectively (if at all) the engineer communicated the repair option to Mr K. Mr K says she didn't. And only 10 days after the visit, Mr K asked British Gas why his boiler couldn't be removed to have the part replaced. If Mr K had known repair was an option, I query why he would've subsequently asked British Gas this question.

In addition to this, none of the paperwork from around the time refers to a repair option – quite the reverse, it says “no access to replace heat exchanger” in the job history and “unable to repair” in the visit report.

All of this leads me to the provisional conclusion that it's more likely than not British Gas didn't make it clear to Mr K it could repair his boiler. But this is my provisional finding. I must emphasise that, if I get any further arguments or information that shed a different light on what happened, I will look at this issue again and my findings may change.

Mr K says his new boiler cost him around £3,500. And he says he could've avoided this expense if British Gas had repaired his boiler. So he would like British Gas to meet him almost half way and pay him additional compensation of £1,500.

British Gas has refunded Mr K his policy premiums for October and November 2022 (and the policy was cancelled the following month). Since British Gas didn't fulfil its contract, I think that was fair and reasonable. British Gas has also paid Mr K £750, which it says is what it would've cost to replace the heat exchanger. Again, and for the same reason, I think that's fair and reasonable.

What I don't think would be fair and reasonable, based on what I've seen so far, is to award Mr K compensation to help cover the cost of his new boiler, as I'll explain. Mr K's home emergency insurance policy gave him cover for a replacement boiler. But it only applied if his boiler was (i) less than seven years old or (ii) between seven and 10 years old, installed by British Gas and continuously covered by British Gas under either a warranty or an insurance product.

From what Mr K and British Gas say, Mr K's boiler was more than 10 years old. That means Mr K wasn't entitled to a replacement boiler under his policy. And, from the job history British Gas has shown us, and as I've already mentioned, it seems it recorded Mr K's boiler as needing to be replaced over the previous seven years; that is, since 2015. So, even if British Gas had repaired Mr K's boiler in November 2022, I think it's unlikely it would've kept going for much longer before he'd have had to face the cost of replacing it. That's why I don't think it would be fair and reasonable to direct British Gas to make a contribution of £1,500 to this cost.

I do, however, think British Gas's failure to give Mr K a clear option to have his boiler repaired has caused him distress and inconvenience, both of which are clear from Mr K's complaint letter to British Gas, sent 10 days after the home visit. And it seems Mr K had to apply substantial funds to get a replacement boiler quickly, especially given it was a cold

time of year when all of this happened. So, as long as I get no further arguments or information that shed new light on what happened here and cause me to change my findings, I intend to award Mr K £150 for the distress and inconvenience British Gas's failings have caused him."

As I've mentioned, Mr K isn't happy about the amount of compensation I've said I intend to award him. But he hasn't given me any new evidence to support his view. I've seen nothing to make me think the conclusions I reached about compensation for Mr K in my provisional decision were unfair or unreasonable and Mr K's comments don't change my view on it.

My final decision

For the reasons given in my provisional decision (which now form part of this final decision), I uphold Mr K's complaint and direct British Gas Insurance Limited to pay him £150 for the distress and inconvenience it has caused him.

British Gas Insurance Limited must pay this compensation within 28 days of the date on which we tell it Mr K accepts my final decision. If it doesn't, British Gas Insurance Limited must pay simple interest on the compensation at the rate of 8% a year from the date of my final decision to the date of payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 3 October 2023.

Jane Gallacher
Ombudsman