

The complaint

Mr H complains about British Gas Insurance Limited (“BGI”) and the service they provided after they attended his property to complete an annual service as part of the Homecare policy he held.

What happened

Mr H held a Homecare insurance policy, underwritten by BGI. As part of this policy, Mr H qualified for an annual service of the boiler at his property.

On 9 February 2023, BGI attended Mr H’s home to complete this service. But the following day, his boiler broke down leaving him without heating and hot water. BGI sent an engineer to investigate the issue, and Mr H says he was told a new boiler would need to be installed, being provided a quote for this a few days later.

But Mr H didn’t think a new boiler was necessary. And so, he asked BGI send another engineer to provide a second opinion. Engineers attended Mr H’s home on 23 and 25 February, both explaining a repair could be attempted with a new heat exchanger and plate being required. BGI provided Mr H with a quote for this work, both in person and in a letter sent on 23 February.

But Mr H says the quotes he was provided were conflicting. And that BGI had told him his complaint had been closed without any outcome. So, because of the above, Mr H chose to have his boiler replaced with BGI installing a new one in early March at Mr H’s expense. Mr H was unhappy about this, so he raised a complaint.

Mr H was unhappy with the service BGI had provided when attempting to fix his boiler, and the conflicting information he was given during this process. Mr H felt BGI’s errors caused him to purchase a new boiler unnecessarily and so, he wanted BGI to contribute to the cost of this, considering the financial impact it had on him considering his personal situation. Mr H also wanted to be compensated for the upset he’d been caused by the inconvenience. BGI didn’t provide a response to Mr H’s complaint within the eight-week period they’re given and so, Mr H referred his complaint to us.

Our investigator looked into the complaint and upheld it. They didn’t think there was any evidence to suggest the break down of the boiler was caused by something BGI did wrong during the annual service. And although they agreed there was some conflicting information provided to Mr H, they thought Mr H was made reasonably aware a repair was available. So, they thought it was Mr H’s own decision to proceed with a full boiler replacement and the associated cost. And because of this, they didn’t think BGI should contribute towards this. But they did think BGI should compensate Mr H for the service Mr H received and they recommended BGI pay Mr H £150.

BGI accepted this recommendation. But Mr H didn’t. He provided evidence to show his boiler wasn’t 20 years old as BGI had said, but instead 14 years old at the time of breakdown. And he disputed he was told sludge was in his system, and that he hadn’t taken any action to remove this. So, he maintained his belief that BGI should share a substantial portion of the

cost he incurred replacing the boiler.

Our investigator considered Mr H's comments, but their decision remained the same. Mr H continued to disagree and so, the complaint has been passed to me for a 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'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, I think it would be useful for me to explain what I've been able to consider. I'm aware Mr H is unhappy with BGI's handling of his complaint. And, how he feels this impacted his decision to purchase a new boiler. But our service is unable to consider, or comment on, how a business handles a complaint as complaint handling is an unregulated activity and so, outside of our jurisdiction. So, I won't be commenting on this aspect of the complaint any further.

I also note that BGI have accepted our investigator's recommendation that they pay Mr H £150 for the failures in their service, and the conflicting information they provided. As BGI accepted this recommendation, I think it's reasonable for me to assume this aspect of the complaint is no longer in dispute. So, I won't be commenting on the merits of the issue any further and I will return to the issue when thinking about what BGI should do to put things right.

Instead, I've focused my decision on the main point that remains in dispute. And this centres around whether BGI have acted unfairly when not agreeing to contribute an amount to the costs Mr H incurred when purchasing a new boiler. And, whether Mr H purchased this boiler because of something BGI did wrong.

Having considered both Mr H and BGI's testimony, and BGI's system notes documenting the work their engineers undertook, I've seen no evidence to suggest any work BGI did during the annual service caused Mr H's boiler to break. While I recognise the timing, and why Mr H would assume this, I also need to consider the age of Mr H's boiler which he's evidenced as being around 14 years old at the time. Even though this is younger than the 20 years BGI estimated, this is still older than the regular shelf life for a boiler and so, I think it's reasonable to assume that any work on a boiler of that age, including a service, may lead to unknown issues presenting themselves. So, I don't think the service itself means BGI should then contribute to the costs of the boiler.

I've then thought about the engineer's visits between 10 February to 25 February. And as I've stated above, I think it's accepted there has been some conflicting information provided. While BGI's system notes suggest Mr H is the one to instigate the idea of having a new boiler, I've seen nothing to suggest the engineer on this day advised a repair was possible.

So, I do think this would've appeared misleading to Mr H, when he was then told on 23 and 25 February that a repair was possible. And I can see from the system notes, compared to the letter BGI sent to Mr H on 23 February, that there were differing quotes provided for how much this work would cost. So again, I can understand why Mr H would be left feeling confused.

But crucially, I don't think this means the service BGI provided led Mr H to purchase a boiler when he didn't need to. I think BGI made Mr H aware in person, and in writing in their letter dated 23 February, that a repair was available. And had Mr H wanted a repair to be completed, I would've expected him to chase arrangement of this with BGI. But I can't see that he did so.

Instead, I can see Mr H chose to arrange a replacement to be installed. And so, I think this was his own decision to make. I also must consider the fact that, in Mr H's policy documents, it makes it clear a boiler replacement would be provided and covered by BGI at no cost to Mr H if his boiler had been under 7 years old, or 10 years old and fitted by BGI. In this situation, Mr H's boiler was 14 years old and fitted by a separate company. So, I don't think BGI are obligated to contribute to the costs of Mr H's boiler replacement, nor do I think they are unfair by not agreeing to contribute after it had been installed. And because of this, I don't think they need to do anything more for this aspect of the complaint.

Putting things right

I've then returned to BGI's conflicting information, and the inconvenience this caused Mr H. I note our investigator recommended BGI pay Mr H £150 to recognise this, and any upset this caused. And I think this recommendation is a fair one, that falls in line with our service's approach and what I would've recommended, had it not already been made.

I think it fairly reflects the confusion caused to Mr H by being quoted for a new boiler, but also being told a repair could be completed. And I think it also addresses the delays this caused in Mr H arranging an eventual replacement, and the inconvenience he would've been caused being without a functioning boiler during this time.

But I think it also reflects the fact that, on 23 February, BGI made it clear both verbally and in writing that a repair was an option. And I can't see that Mr H agreed to continue with this option, so I don't think I can hold any delays after this solely the fault of BGI. I appreciate Mr H may say he didn't receive the letter with the quote until early March, when it was dated 23 February. But I'm satisfied it was sent on this date, to the correct address. Any delays in Mr H receiving this letter would be the responsibility of the postal service and outside of BGI's control.

And while I note there is some dispute about whether the repair should've been chargeable to Mr H, or covered under the policy terms, considering whether there was sludge in the system, either way I think Mr H was reasonably aware a repair was an option. And, that this would've been financially much less impactful than a total replacement of his boiler.

So, I'm satisfied that the £150 recommendation is a fair one on this occasion and so, it is one I am directing BGI to pay.

My final decision

For the reasons outlined above, I uphold Mr H's complaint about British Gas Insurance Limited and I direct them to take the following action:

- Pay Mr H £150 to recognise the inconvenience and upset he's been caused.

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

Josh Haskey

Ombudsman