

The complaint

Mr and Mrs C complain that British Gas Insurance Limited (BG) damaged their boiler and property. They would like BG to cover the cost of the new boiler and repairs.

Mr and Mrs C had home emergency insurance underwritten by BG. The policy is in joint names but, for ease of reading, I'll refer mainly to Mr C throughout my decision.

What happened

The details of this complaint are well known to both parties, so I won't repeat them here. Instead, I'll focus on giving the reasons for my 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 not to uphold Mr and Mrs C's complaint. I understand this will be disappointing, but I can't say the evidence supports their view that BG caused the damage.

My role is to decide whether BG handled Mr C's claim promptly, in line with the policy, and fairly in all the circumstances. That includes looking at whether BG reasonably relied on the evidence available to it. It's not within my remit to determine the cause of the damage.

I won't comment on each and every piece of information available to me. I've looked at everything, so I'll address the overall complaint and comment on the individual points which help me explain the reasons for my decision.

Mr C's overriding complaint is that BG set the temperature too high on his boiler and failed to warn him of the potential risks of sludge in his boiler. Consequently, he'd like BG to pay around £8,000 to cover the cost of ceiling repairs and a new boiler after his exploded.

BG accepted there'd been some service shortfalls and offered Mr C £150 by way of apology. It also refunded the payments that Mr C had made since the boiler broke. But BG said it wasn't responsible for the damage and that the boiler had come to the end of its life.

The evidence persuades me that BG wasn't at fault and that it reasonably rejected Mr C's request for payment of a new boiler and associated repair costs. My reasons are as follows:

- BG completed annual service checks and the records show that it had been telling Mr C that his boiler needed replacing. The renewal documents support this.
- Mr C said BG never told him that, but I haven't seen any evidence to support what he says. Evidence would've been the annual service checklist, left with Mr C at the end of each visit, which confirms the action taken and any recommendations.
- The same checklist would've advised Mr C if BG had been aware of any sludge and, likely, a recommendation to flush the system. I haven't seen any evidence that BG was aware of sludge in the system.
- BG confirmed the annual boiler check doesn't include testing the water, so I accept it would have no reason to know if there'd been sludge present.
- Mr C said the policy doesn't cover damage caused by sludge if BG had told him about it. As it hadn't told him, he thinks BG should, therefore, cover the cost of damage. I don't agree. That's because the policy is explaining sludge removal isn't covered. But if it is identified, perhaps during the course of a repair, and BG tells Mr C about it, then BG wouldn't cover any subsequent damage caused by the sludge.
- Here, although BG hadn't identified any sludge, that doesn't mean it must cover the cost of the boiler damage.
- The evidence indicates that the boiler had reached the end of its life. I understand the boiler was at least 28 years old. On average, boilers remain useful for around 15 years.
- Mr C said the boiler was working and BG's annual checks confirm that. The service is to determine whether the boiler is operating safely, but it doesn't mean the boiler will continue to do so or that it is operating efficiently.
- The engineer reports provided by independent third parties state that, ultimately, sludge and the high temperature setting caused the boiler damage. I don't think this is disputed. But the reports don't say that BG was responsible for the damage.
- BG's reports state that it turned down the temperature setting, which seems plausible given that Mr C initially reported it was too hot.
- One report suggests that repairs and maintenance may have been done incorrectly because there were different coloured parts on the boiler. However, BG explained that manufacturers use different colours to identify their own parts and it doesn't affect the functioning of the boiler. I have no reason to doubt that.

Moving on, I've decided that BG paid a reasonable amount in compensation for the service shortfalls it acknowledged as follows:

- It had to visit multiple times.
- The matter was not resolved as quickly as it could've been.
- The poor customer service Mr C felt he'd received.
- The overall distress and inconvenience he experienced.

I see no reason to ask BG to increase the offer because:

- It told Mr C the outcome of its investigation within two months of the boiler being damaged beyond repair.
- The evidence doesn't show that BG caused the damage.

BG refunded to Mr C the premiums he'd paid from the date the boiler stopped working. I've looked at the policy and I'm satisfied that BG's offer was in line with the policy terms and conditions. I see no reason to ask BG to do any more in respect of this.

Overall, the evidence shows that BG didn't handle Mr C's claim as quickly as it could've done, but the compensation payment of £150 is reasonable and in line with what I'd expect. In respect of the damage to Mr C's boiler, I haven't seen anything in the evidence which persuades me that BG did anything wrong. More likely than not, the boiler stopped working because it had reached the end of its useful life rather than being damaged by something BG did. Therefore, I won't be asking BG to do any more in respect of this complaint.

My final decision

For the reasons I've given, my final decision is that I don't uphold Mr and Mrs C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 19 January 2024.

Debra Vaughan
Ombudsman