

## **The complaint**

Mr L's complaint is about the handling of a claim under his central heating insurance policy with British Gas Insurance Limited.

## **What happened**

Mr L contacted British Gas on 1 December 2022, to report a leak from an overflow pipe from his boiler, which was located in the loft and a leaking downpipe from an upstairs bedroom.

British Gas sent a plumber on 9 December 2022 to inspect the boiler (pushed back from 8 December 2022) who said the problem was within the boiler, so a gas engineer would need to attend. L didn't hear anything further, so called British Gas on 22 December 2022. He was told its contractors would be in touch with Mr L to arrange an appointment. The contractors called Mr L on 28 December 2022 and said they'd attend on 10 January 2023. Mr L said this was fine for the down pipe issue but was too long to wait for the boiler.

British Gas offered a refund of one month's insurance premium as compensation for the wait. British Gas said the contractors thought the two issues were connected and the part needed to fix the downpipe was not available. Mr L disputed this.

Eventually the contractors agreed to attend on 29 December 2022, but it was the same plumber that had attended on 9 December 2022 who said again that a gas engineer was needed. Mr L contacted British Gas to complain but it appears that nothing more was done until the New Year. Mr L says around this time, he noticed cracks had appeared on an internal wall and he switched the boiler off. He says he called British Gas again and eventually an appointment was arranged for 5 January 2023. The engineer said there was too much pressure in the boiler; he told Mr L he replaced the pressure relief valve and also checked a tap in a cupboard that he said was causing too much pressure. The engineer apparently told Mr L that the previous plumber could have turned that tap to resolve the problem. This resolved the overflow problem.

However, on 20 January 2023, Mr L says the pressure gauge showed high pressure in the heating system again and the overflow was leaking again. Mr L called his own gas engineer as he says he had lost faith in British Gas. The engineer turned off the boiler on 20 January 2023 and on 23 January 2023 replaced the pressure relief valve, which he said was furred up from years of use and had not been replaced recently. On 26 January 2023, the engineer replaced the expansion vessel but said the boiler was beyond repair. Mr L therefore paid to have the boiler replaced. In total, he says he paid just under £3,000 to his engineer for work he says should have been covered by his policy, or was caused by British Gas.

Mr L says there were unreasonable delays and the British Gas engineer did not replace the pressure relief valve ("PRV") when he reported he had. His own engineer said the PRV was an old one sludged up, which doesn't happen in the space of a couple of weeks. He has this part still for inspection. Mr L says the failure to resolve the excess pressure in his heating system also caused significant water damage to an internal wall which needs to be repaired. Mr L wants British Gas to pay for the new boiler £3,000 and repairs to the property, as well as compensation and waive the policy excess.

British Gas says the first visit for the boiler was on 4 January 2023 but there was no answer at the property (Mr L denies this), so the engineer returned on 5 January 2023 when the PRV, internal filling loop and condense trap were replaced. British Gas says the engineer also repressurised the expansion vessel and closed an additional filling loop that was in a cupboard and which had been left open.

British Gas also said that the engineer confirmed he had replaced the internal parts of the PRV only which is why parts of the PRV still appeared to be worn. British Gas says this was an acceptable repair. The engineer's recollection of the job was apparently three months after the job was done. It also later said that the photo Mr L provided of the PRV is just of the base unit and sometimes the head unit only will be changed. But in any case, British Gas says that the PRV is a safety feature and there'd be other causes of the problems with the boiler, such as the filling loop being left open, faulty expansion vessel or perhaps a damaged heat exchanger. It says Mr L's engineer replaced the boiler after some repairs, so it must have been in poor condition. Mr L's engineer did not say the root cause of why the PRV failed after two weeks and it was not given the chance to check the works or confirm it was necessary.

British Gas also said that the new boiler was a probably recommended as a sales pitch by Mr L's engineer, otherwise it should not have been necessary given its age. British Gas therefore said it does not accept it is liable for the cost of the new boiler. It also said that the leak was present before it attended and it didn't cause it, so the property damage should be dealt with by Mr L's home insurer. British Gas did, however, offer £100 compensation for the distress and frustration caused to Mr L in delays in completing the repairs, that an incorrect contractor was dispatched initially and the delays in addressing the complaint.

One of our Investigators looked into the matter. She did not recommend the complaint be upheld.

Mr L does not accept the Investigator's assessment. He has made a number of points. I have considered everything he has said and summarise the main points below:

- British Gas sent a plumber on 9 and 29 December 2022 and only sent a gas engineer on 5 January 2023.
- The boiler was leaking onto the wall continually during this period and as the weather was so cold, a very long icicle formed.
- There was a leak already but this delay exacerbated this leak and it is unfair to expect him to make a home insurance claim (incurring policy excess and higher premiums) given this.
- The job sheet for 5 January 2023, which says the PRV was replaced, is untruthful and there is no evidence British Gas replaced the internal part of the PRV.
- He accepts the policy terms say he should have informed British Gas of the replacement of the boiler before he went ahead but he still has the boiler and PRV for inspection.
- The expansion vessel had blown and his engineer says British Gas would have seen this if it had replaced the PRV. Because neither had been replaced by British Gas, and the cold weather at the time, there was further damage to a pipe. The only option then was to replace the boiler.
- There was a lack of record keeping by British Gas, including phone call recordings which causes problems.

As the Investigator was unable to resolve the complaint, it was passed to me.

What I've provisionally decided – and why

“Boiler repairs and property damage

Mr L reported the leak from the boiler on 1 December 2022. British Gas didn't send a gas engineer to look at the boiler until 5 January 2023, despite several phone calls from Mr L chasing the matter and the two unproductive appointments. So the leak continued for around four weeks longer than necessary.

On 5 January 2023, British Gas told Mr L it had replaced the PRV and this seemed to resolve the matter. However the leak reoccurred.

By then Mr L had lost faith in British Gas and appointed his own engineer. I can understand why. British Gas had failed to send a gas engineer twice, had to be chased several times to not send a gas engineer, said there'd be considerable delay before it could attend, and when a gas engineer did finally attend more than a month after Mr L had made the claim, the repair only lasted a short time.

Mr L's own engineer attended and said the PRV and expansion vessel needed replacing.

The engineer's invoice for this states “Customer explained the pressure relief valve had recently been changed, however on further investigation this was found not to be the case as had heavy build up of sludge within internals of valve.”

When Mr L complained about this, British Gas said the engineer had remembered the job and said he had in fact replaced the internals of the PRV, rather than replace the whole unit.

More recently, British Gas has said the photo of the old PRV provided by Mr L is of the head and it may have only replaced the base.

I've seen a British Gas's work sheet dated 5 January 2023, which was left with Mr L. This says “parts fitted today PRV”. British Gas's file says the engineer was at the premises for 51 minutes and he “replaced PRV, recharged pressure vessel tested, all ok”. It doesn't say that only the internals or only the head of the PRV were replaced.

British Gas's account of this is not particularly persuasive. All the contemporaneous documentation says that the PRV was replaced and does not say internal parts, or head unit only were replaced. This is misleading at best. In addition, Mr L's engineer says there was a build up of sludge “*within internals of valve*”. British Gas has not provided any persuasive explanation as to why the internals of the PRV would be in this condition around two weeks after they were supposedly replaced. Overall, it seems unlikely to me that the PRV or any internal parts of it, were replaced.

It therefore seems to me that the PRV needed replacing and there was also an issue with the expansion vessel. These matters would have been covered under the policy. While I accept that Mr L should have contacted British Gas before his engineer did any work on the boiler, my remit is to consider what is fair and reasonable in all the circumstances of the case. Mr L did hold cover for the boiler and given the PRV and expansion vessel had failed, it seems to me it is likely that British Gas would have come out and done the same repairs itself, if it had been contacted. There is no evidence to suggest otherwise.

Therefore unless British Gas can establish that it has been prejudiced by this or that it would not have replaced the PRV and the expansion vessel, it seems to me fair and reasonable that British Gas pay the cost of Mr L's engineer to do this work, together with interest at our usual rate.

Mr L's engineer then shortly afterwards determined that the boiler needed to be replaced.

British Gas suggest that Mr L's engineer simply tried to sell a new boiler and says a new boiler should not have been needed. However, I am not persuaded by such speculation.

Mr L's engineer had tried to repair the boiler and while there is not much in the way of explanation as to why the boiler needed replacing, I do not think it likely the engineer would have recommended a new boiler, and that Mr L would have agreed to such an expense, if it was not necessary.

Again, while Mr L should have contacted British Gas before replacing the boiler but again, I can understand why Mr L had lost faith in British Gas, especially as by then it was clear to him that it had not replaced the PRV even when it said he had.

So while the policy terms require a policyholder to inform British Gas before doing so I do not think the fact Mr L did not do so means that it is reasonable that British Gas avoid all liability for costs that would have been covered by the policy otherwise. So, again I have to consider what is fair and reasonable based on the evidence available to me.

Mr L has suggested that British Gas's delay in attending to the problem with his boiler made the damage worse. And his engineer told Mr L that there was a "strong likelihood that the delays and poor workmanship by British Gas contributed to the need for a replacement".

While I can see that the damage not being resolved promptly could cause further deterioration, there is not enough evidence to establish that but for the delays by British Gas the boiler would not have needed to be replaced.

However, it doesn't matter whether British Gas made the condition of the boiler worse, if there is sufficient evidence that it needed replacing and that this would be covered under the policy.

Given the attempted repairs that had failed, I have no reason to doubt that the boiler needed replacing and have no reason to think that British Gas's engineers would have reached a different conclusion if Mr L had informed British Gas in advance. British Gas has also had the opportunity to inspect the boiler and PRV and it hasn't done so.

Mr L's policy says that it will cover the replacement of a boiler if it is under seven years old.

British Gas said Mr L's boiler was around five years old. I have not seen any evidence to verify this but as British Gas has stated this based on its engineers having seen the boiler, it seems reasonable to accept this.

Therefore based on the evidence available to me, I consider that replacement of the boiler would have been covered if British Gas had known at the time. However, if British Gas had replaced the boiler under the cover of the policy, it would probably

have cost it less to do than Mr L paid his engineer. But, as stated above, I can understand why Mr L had lost faith with British Gas. It had not replaced the part that it told him it had and there had been considerable delay in it dealing with the matter at all. Having said that, I also consider it would have been reasonable for Mr L to have contacted British Gas to discuss the findings of his own engineer.

Having considered the matter carefully, I therefore consider British Gas should reimburse Mr L half the cost he paid for the replacement boiler, together with interest.

Either party is able to provide further information or evidence to me in response to this provisional decision, so if there is any evidence provided about the age of the boiler that would change this then I will consider that before issuing my final decision.

### Property damage

It is impossible to say how long the leak was going on for before Mr L reported it on 1 December 2022 but there was apparently no damage to the property when Mr L first noticed it. I understand water damage and cracking can appear later even after drying out but I think it cannot be in doubt that the delay by British Gas will have made the damage to the property worse than it would otherwise have been.

The policy doesn't cover matters covered by other insurance or that are not caused by British Gas. British Gas also says any damage caused by delays in attending would fall under Mr L's home insurance unless they caused the damage. British Gas also stresses that it only worked on the boiler once on 5 January 2023 but it had the opportunity to do so on 9 and 29 December 2022, and it has not given any reasonable explanation why it could not attend any sooner than 5 January 2023.

British Gas did not cause the initial leak but this is not a matter of the policy cover for damage caused by a leak but effectively a claim for breach of contract i.e. that British Gas breached the insurance contract and in so doing caused damage to Mr L's property above and beyond that which would have inevitably arisen due to the original fault with the boiler.

It seems likely to me that British Gas's failure to provide the service it should have done under the terms of the policy will have inevitably caused the damage to become worse than it would otherwise have been. If it had sent a gas engineer on 9 December 2022, or any sooner than January 2023 and if it had properly replaced the PRV and the expansion vessel, it is possible that the problem would have been resolved sooner than it was.

Just because Mr L's home insurance policy might cover the damage, it does not mean he should have to make such a claim if it would not have been necessary if British Gas had dealt with the matter under his central heating policy with it properly. Based on the evidence currently available, it seems unlikely Mr L would have had to make a home insurance claim, if the boiler issue had been dealt with more quickly than it was.

No evidence has been provided about the repairs needed or the likely cost. I am therefore unable to determine how this should be put right on the evidence currently available. It seems to me that there are three options for Mr L:

1. He could make a claim under his home insurance and British Gas reimburse whatever excess he has to pay and make a contribution towards any increased premiums.

2. He gets estimates for the works required and I consider those and any contribution appropriate from British Gas.
3. I award a global amount of £600 towards the repairs, as a “*rough and ready*” resolution.

Mr L can choose which option he prefers.

#### Delays and other matters

Mr L took out this policy to cover emergency situations such as happened here. Two appointments were unproductive because a plumber, rather than gas engineer attended, which also caused delay in getting the matter resolved; there was also a lack of action after each of those visits to arrange an appointment with a suitably qualified engineer; Mr L had to make a number of phone calls chasing the matter. He also had to get his own engineer to rectify the problems. I therefore consider that this warrants compensation in addition to the reimbursement of the financial loss caused to him. I consider an additional £250 is appropriate (so a total of £350).

#### **My provisional decision**

I intend to uphold this complaint against British Gas Insurance Limited and require it to do the following:

- reimburse Mr L the cost of the replacement PRV and expansion vessel (which I understand was £289.97), together with interest at 8% simple per annum from the date he paid the invoice to the date of reimbursement.
- Reimburse half the cost of the replacement boiler (which I understand was £2,676.85), together with interest at 8% simple per annum from the date he paid the invoice to the date of reimbursement.
- Pay Mr L the sum of £350 compensation for the distress and inconvenience caused by its handling of this matter. (This is to include the £100 already offered.)
- Make a contribution towards the costs of repairing the water damage to Mr L's property, to be determined once further information and evidence is provided in response to this provisional decision.”

#### **Responses to my provisional decision**

I invited both parties to respond to my provisional decision with any further information or arguments they want considered.

Mr L has confirmed he accepts my provisional decision in regards to the PRV and expansion vessel and the boiler. Mr L also says he accepts my provisional findings that British Gas should pay £600 towards the repair of the wall. However, he says he expects VAT to be added to this (making a total of £720). Mr L does not however accept that the compensation I proposed of £350 is enough for the distress and inconvenience caused by British Gas. Mr L says his 90 year old mother was staying with him and they were without heating and hot water over the New Year period. If British Gas had done the necessary repairs on 9 and 29 December 2022, this would not have been the case. He suggests compensation of £750 would be more appropriate.

British Gas has also responded. It does not accept my provisional decision. British Gas has made a number of points in response. I have considered everything it has said and have summarised the main points below:

- Mr L contacted it on 1 December 2022 to report a leak from a bathroom waste pipe and an overflow pipe outside his property. The representative said he'd book a plumbing contractor who may be able to investigate both issues and Mr L agreed to this. Given what was reported to it, this was not an unreasonable instruction.
- The contractor inspected the leak from the waste pipe and said a part was needed. After he fitted the parts on 9 December 2022 there is nothing in the notes to say that anyone would contact Mr L again. The normal process if a gas engineer is needed is for the plumbing contractor to tell Mr L to contact British Gas to arrange this visit, as they do not have access to its systems.
- Why did Mr L leave it until 22 December 2022 to ask when the contractor was coming back?
- Mr L spoke to British Gas on 22 December 2022 but did not book an appointment for a gas engineer then.
- When Mr L booked the appointment for 29 December 2022 he said there was an overflow leak outside and he was worried about property damage, so again it was not unreasonable for it to book a plumber to attend. It does not therefore agree that there were two unproductive appointments - a plumber would always have to go out first to diagnose the problem and it was understandable why a plumber was booked again.
- Mr L's photos show there was wear and tear to the internal walls and the photos of the external wall shows that the leak was ongoing for some time; walls would not stain or crack this badly after only a matter of weeks. The leaks were ongoing and it did not cause the leaks. Therefore it is not responsible for this damage, which is a consequence of the leaks. Repairs would have been needed regardless of any delays.
- It does not agree it is responsible for any part of the cost of the new boiler. Mr L had a central heating breakdown only policy (so there was no annual service included and no initial visit) and it only attended the property once on 5 January 2023 to repair the boiler. Any other third party could have worked on the boiler.
- It has not seen any evidence of the boiler's age, or why it needed to be replaced. All parts were available as the boiler is still being manufactured.
- If the boiler was only five years old, why did it need replacing? A boiler of that age would only need replacing if it has not been maintained properly and that would not be something British Gas is accountable for.
- Did Mr L have the boiler serviced regularly by a third party?
- Mr L could have booked a gas engineer at any point when its plumber attended on 9 December 2022.
- It is not fair to say Mr L lost faith with British Gas after only attending once to look at his boiler since 2019.
- Customers need to contact it if a third party has deemed a replacement is necessary before they replace it. It needs the opportunity to assess and determine if a repair can be made before a replacement or a contribution to a replacement is provided. This is a big outlay that Mr L was expecting it to reimburse. He could have made a phone call or booked a visit online prior to making this decision.

British Gas therefore asks me to reconsider my provisional findings, as it does not believe the correct outcome has been reached.

### **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.

### Boiler repairs and replacement

British Gas says that given the matter reported to it, it was reasonable that it sent out plumbers to Mr L's property on 9 and 29 December 2022. It says Mr L agreed to a plumber attending the initial appointment and he should have requested a gas engineer attend after the appointment on 9 December 2022 and when he called on 22 December 2022.

Mr L had reported a leak from the boiler overflow pipe. In my view, he was entitled to assume that British Gas would send out someone appropriately qualified to deal with the issue. If he was told in the initial appointment that the contractor British Gas sent would be able to deal with both of the issues he reported, he would have no reason to dispute that and I do not agree that the onus was on him to ensure it sent a gas engineer.

British Gas also says Mr L should then have contacted it after the appointment on 9 December 2022 to request a gas engineer, as that would be its usual practice. Mr L had an ongoing claim with British Gas. There is no reason why he should know that he needed to contact British Gas again to request a gas engineer. It might be its usual practice for its plumbing contractors to tell policyholders this but there is no evidence that the contractor did so on this occasion. Mr L chased up with British Gas on 22 December 2022 because he hadn't heard anything further. British Gas also questions why he did not do so sooner but I think it reasonable that he was waiting for British Gas to contact him.

British Gas also says again that Mr L should have booked a gas engineer during the call on 22 December 2022 and because he didn't, it was reasonable that it send the plumber out again. I do not agree. Mr L was reporting the same issue he had already reported on 1 December 2022 that had not yet been dealt with. It was a leak from the boiler overflow and I am not persuaded that it would always be necessary for a plumber to attend to diagnose such an issue with the boiler and then for a gas engineer to attend. I therefore remain of the opinion that there were two unproductive appointments about the boiler.

When the gas engineer did attend on 5 January 2023, he said he'd replaced the PRV but for the reasons set out in my provisional decision, it seems likely he did not replace the PRV, or any internal parts of it. British Gas has not provided any further information about this, so I see no reason to change my findings on this. I therefore remain of the opinion that it is fair and reasonable for British Gas to reimburse the cost of Mr L's engineer replacing the PRV and expansion vessel.

With regard to the replacement of the boiler, British Gas says this should not have been necessary. It has suggested this was a "*sales pitch*" by Mr L's engineer or that the boiler was worked on by a third party. British Gas seems to imply that either Mr L's engineer damaged the boiler, or it was not regularly serviced and taken care of.

Mr L's engineer replaced the PRV and expansion vessel but shortly afterwards determined that the boiler needed to be replaced. As noted in my provisional decision, there is not much in the way of explanation as to why the boiler needed replacing, but I do not think it likely the engineer would have recommended a new boiler, and that Mr L would have agreed to such an expense, if it was not necessary. There is no evidence that there was a lack of care or damage caused by a third party. This seems to be speculation only. As mentioned in my provisional decision, British Gas has also had the opportunity to inspect the boiler and PRV and it hasn't done so.

Given the attempted repairs had failed, I have no reason to doubt that the boiler needed replacing and have no reason to think that British Gas's engineers would have reached a different conclusion if Mr L had informed British Gas in advance.



In response to my provisional decision, British Gas said it has no information about the age of the boiler. However, in emails to us dated 23 May 2023, British Gas said *“our tech team have confirmed the boiler is a new appliance, is in full production and none of the parts are withdrawn”* and *“... [Mr L’s] old boiler could not have been older than 5 years old and was an Ideal Logic. This was replaced by a Worcester boiler. I have no idea why this would have been necessary other than a sales pitch by the 3rd party.”*

British Gas has not said why it initially determined that the boiler was less than five years old. British Gas’s engineer had seen the boiler and I’ve not seen anything persuasive to state that its first assessment of the age of the boiler is not correct. I therefore remain of the opinion that it is likely it was less than seven years old as required under the policy.

Given this, I still think the replacement of the boiler would have been covered if British Gas had known at the time. As set out in my provisional decision, I think that it is fair and reasonable that British Gas pay half the amount this cost Mr L. This is because while I can understand why Mr L had lost faith with British Gas, I also consider it would have been reasonable for Mr L to have contacted British Gas to discuss the findings of his own engineer before going ahead with the replacement. And if he had done, it likely would have cost British Gas less than he paid to replace the boiler.

#### Property damage

British Gas says the damage to Mr L’s property was a consequence of the initial leaks, for which it is not responsible. It also says it only worked on the boiler once on 5 January 2023 and was not responsible for any delays in stopping the leak.

However, for the reasons given above, I think British Gas had the opportunity to stop the leak on 9 and 29 December 2022, and it has not given any reasonable explanation why it could not attend any sooner than 5 January 2023. So there was a four week delay which could have been avoided.

Having considered everything again, it still seems likely to me that British Gas’s failure to provide the service it should have done under the terms of the policy will have caused the damage to become worse than it would otherwise have been. British Gas says that the damage will not all have been caused in the matter of a few weeks but a continual leak for this period can cause significant damage. I did not determine that British Gas was responsible for all the property damage but remain of the opinion that it is responsible for it being worse than it might otherwise have been. In recognition of this and in the absence of detailed evidence of the repairs required, I provisionally suggested that British Gas pay £600 towards the repair costs. Mr L opted for this, rather than the other two options set out in my provisional decision, but says he expects VAT to be added to this amount, so a total payment of £720.

I am unable to make an award for payment of VAT, without proof that VAT has been paid by Mr L.

I proposed the £600 contribution as a *“rough and ready”* resolution of the matter. This is because there is no evidence on which I can determine the cost of repairs for the damage caused by British Gas’s delays. I am making a finding that the repairs that British Gas are responsible for will cost exactly £600. It is an amount that seems fair and reasonable to me, given the information I have. And Mr L confirmed this option was preferable to him, rather than the others which involved getting more information about the repairs required, or making a home insurance claim.

I see no reason to change my view on this. It seems to me that a flat contribution of £600 towards the repair costs is fair and reasonable in all the circumstances based on the evidence available to me. I do not agree that British Gas should be responsible for any further payment towards these costs, including any VAT Mr L is charged for the necessary repairs.

### Compensation

Mr L has asked that I increase the award I proposed for compensation. He says his elderly mother was staying with him and they were without heating and hot water over the New year period. I understand the boiler was working but Mr L's notes say he turned the boiler off on New Year's Day because he was concerned about the damage to his home. I can understand Mr L's concern about this but the boiler was working. Having considered everything again, I remain of the opinion that the sum of £350, together with the other payments I have awarded, is fair and reasonable in the circumstances.

### **My final decision**

I uphold this complaint against British Gas Insurance Limited and require it to do the following:

- reimburse Mr L the cost of the replacement PRV and expansion vessel (which I understand was £289.97), together with interest at 8% simple per annum from the date he paid the invoice to the date of reimbursement.
- Reimburse half the cost of the replacement boiler (which I understand was £2,676.85), together with interest at 8% simple per annum from the date he paid the invoice to the date of reimbursement.
- Pay Mr L the sum of £350 compensation for the distress and inconvenience caused by its handling of this matter. (This is to include the £100 already offered.)
- Pay £600 towards the costs of repairing the water damage to Mr L's property.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 5 February 2023.

Harriet McCarthy  
**Ombudsman**