

## The complaint

Miss W has complained about the service provided by British Gas Insurance Limited ('British Gas') under her home care policy.

## What happened

Miss W reported a leak at her home in December 2022 to British Gas, as she had a home care policy at the relevant time. A British Gas engineer visited Miss W's home. The engineer said that the heat bank was damaged and needed replacing, but the part was obsolete. Miss W wasn't happy with this diagnosis and requested a second check. This was carried out, with the same diagnosis. Miss W said she then felt pressured into buying a new boiler from British Gas. On installation of the new boiler, she was then told that the leak had been from the cold-water supply. Miss W complained to British Gas however it maintained its position.

Miss W then referred her complaint to this service. The relevant investigator didn't uphold Miss W's complaint. He was persuaded by the evidence supplied by British Gas that the heat bank was indeed damaged, that a replacement part was obsolete, and that Miss W needed to replace the boiler. He noted that damage caused by the leak wasn't covered under the terms and conditions of the policy.

Miss W was unhappy with the outcome of her complaint to this service. The case was therefore referred to me to make a final decision in my role as Ombudsman. I issued a provisional decision in October 2023 for this complaint and explained why I was minded to uphold Miss W's complaint as follows; -

*'The key issue for determination is whether British Gas mis-diagnosed the problem with Miss W's boiler, so leading to Miss W having to purchase a new boiler. On the balance of probabilities, I consider that British Gas didn't act fairly and reasonably and didn't provide an adequate service in all respects. On a provisional basis I therefore uphold Miss W's complaint and I'll explain why.*

*I firstly turn to Miss W's submissions in this matter. She said that her boiler had been serviced in early December 2022 and the British Gas engineer had pointed out no faults. Less than two weeks later, Miss W found a damp item of clothing on the floor of the airing cupboard. She also noted that the carpet was damp, although not visibly damaged. She immediately called British Gas and its engineer checked the boiler. She said he ripped insulation off the boiler and told the customer that the water tank was leaking and that she needed a new boiler. Miss W wasn't satisfied that the engineer had investigated the fault thoroughly or accurately, and so another engineer was sent out but said the same thing.*

*Miss W said that the volume of water from the leak became excessive, and she'd used towels and nappies four times a day to contain the water whilst waiting for a solution. When the next engineer visited, Miss W said that he dismantled the boiler and took it outside without showing her where the leak was coming from but made a comment to say it was coming from 'the cold'. Miss W said she'd asked to be shown the leak. She felt that the leak from the cold-water supply pipe hadn't been adequately investigated and also felt pressured into purchasing a new boiler through British Gas and had to pay £4,600 for a replacement.*

When the new boiler was installed, Miss W said this wasn't carried out correctly and the engineer had to come back to move it. Miss W said she still wasn't getting hot water and rang the manufacturer. Miss W said that its engineer said the boiler hadn't been set up properly. Miss W said that the engineer also confirmed that if the leak coming from the boiler had been hot then this would be from the heat bank, but if it was cold then this would be coming from the cold-water supply. She was clear that the leaking water was cold. Miss W was now seeking reimbursement for the cost of the boiler as she considered that it hadn't been necessary for her to buy a new boiler. She said that if she hadn't been pressured, she would have purchased a cheaper one. Miss W also wished to claim for her damaged carpet.

Miss W then supplied a copy of an e-mail from British Gas dated April 2023. This stated that it hadn't been able to show the location of the leak on the boiler as it had been drained and stripped down. It confirmed the opinion that the heat bank had become rotten or corroded. As to the location of the leak, it said it was 'most likely from the cold-water supply pipe which would be consistent with the volume of water and the corrosion shown on the pictures provided. This would have leaked onto the heat bank along with other parts within the boiler causing this to corrode and become rotten.' It also explained that the replacement heat bank and other parts were now unavailable, and this prevented a repair being completed. Miss W said this wasn't diagnosed or even looked at by the relevant engineer. She still had the tank in her garden, it had been filled with water and there were no visible signs of water leaking from it. She was happy for British Gas to test it.

Miss W also disagreed that the water supply pipe had been leaking for some time, as the boiler was only serviced in early December, shortly before the first engineer's visit. Had it been leaking she would have expected it to have been apparent. When the installation team arrived to install the boiler in mid-January 2023, the engineer said 'he didn't think that it was the tank.' Miss W thought that he'd later reconsidered his comment and didn't want to contradict his colleague who diagnosed the fault incorrectly and so failed in his duty of care.

In summary, Miss W said she was making this complaint as she had her home care agreement with British Gas and had paid over £37 per month to cover the costs of repairs. She didn't consider that the tank was rotten or corroded and had only surface rust. She felt that as a result, she had to buy a new boiler unnecessarily and that her hallway carpet and bath and tea towels had been damaged. She said she'd also had to resort to the expense of buying nappies to absorb the water from the leak and felt she'd done everything to minimise saturation and damage to her property.

I now turn to the British Gas submissions. It considered that its initial diagnosis had been correct and that the relevant parts were indeed obsolete. It provided a timeline to clarify that its engineer had attended following Miss W's call to report a leak from the boiler. He advised that the heat bank was rotten and leaking and he then re-attended four days later and advised that the parts were obsolete and so the boiler would need to be replaced. An appointment was then made for an advisor to attend in the new year and quote for a new boiler. It said that the further engineer visit took place as Miss W was unhappy with the diagnosis and this engineer re-confirmed that the heat bank was 'rotten and leaking.'

British Gas said that Miss W had agreed for a new boiler to be installed. It acknowledged that she asked to see where the boiler was leaking from prior to it being drained, but the engineer didn't do this. As to whether the installation engineer had commented that the leak was from the cold-water supply, it thought that if this had indeed happened, this would have caused the heat bank, among other parts within the boiler, to become rotten over time. It nevertheless confirmed that the diagnosis was for the boiler to be replaced due to the heat bank being rotten and leaking. It said that the required part was obsolete regardless of where the leak was coming from, and without this, the boiler couldn't function. It stressed

that the policy didn't include for replacement costs of a new boiler. It also confirmed that British Gas weren't liable for damage to the carpet as it didn't consider it caused the leak.

Finally, British Gas said that its engineers had been recommending Miss W that she 'gives consideration to replacing her boiler for several years'. It said that this advice can be given for a number of reasons such as age, efficiency or parts' availability. It said that boiler manufacturers were obliged to provide spare parts for approximately 10 years from when the appliance ceased to be manufactured and, in this case, the appliance ceased production in 2005, 'so was at best 18 years old, over the average life expectancy of an appliance.'

Having carefully considered the above evidence and submissions, the reasons for my provisional decision to uphold Miss W's complaint are as follows. The starting point for determining cases of this nature is the relevant home care policy. In this case, the policy makes it clear that it covers boiler repairs 'as well as the pipes that connect the central heating system.' It covers boiler replacement if British Gas is unable to repair it and it's less than seven years old or between seven and continuously covered. I note that the boiler in this case was at least 18 years' old and Miss W wouldn't have been eligible for a free replacement boiler under the policy. Finally, the policy makes it clear that British Gas wouldn't be responsible for damage caused by water leaks unless it caused the leak.

Miss W helpfully provided photographic evidence which shows that a volume of water was leaking which had to be stemmed by towels and material and it appears that damage was also caused to the carpet by this leak. Whilst it wasn't forwarded by British Gas with its case file, Miss W also provided the e-mail from British Gas dated April 2023. This provided clear written evidence that in British Gas' view, the probable cause of the leak, was the cold-water supply pipe and it makes no mention of the tank leaking, and this had been its previous contention. I note that Miss W remains willing for the tank to be checked, however on the basis of this e-mail it now appears unlikely that the tank itself was leaking.

I note that British Gas said that its engineers had been recommending Miss W that she 'gives consideration to replacing her boiler for several years' and it considered her boiler to have been well over its life expectancy. It may well be correct that the boiler was reaching the end of its useful lifespan, and it appears that both parties accept that there was at least visible surface rust or corrosion which may well have led to a serious leak at some stage. However, on the available evidence, it hadn't yet reached this point.

It now appears that the parties agree that the leak was from the cold-water supply pipe and that the problem had been incorrectly diagnosed at the outset. Whilst the tank may have had visible rust or corrosion, there is now no evidence that it was leaking. This suggests that the initial check hadn't been sufficiently thorough. British Gas hadn't considered the question of whether the cold-water supply pipe could be repaired or replaced. I note that it had established that the 'tank and base assembly' were obsolete, however there is no evidence that this was the case in relation to the supply pipe to the tank.

I also note that the boiler had been serviced less than a fortnight prior to the appearance of the leak and yet the case-notes make no reference to a corroded or leaking boiler, or indeed to a leaking pipe. This again indicates that the tank hadn't yet reached the point when it would need to be replaced in its entirety. I've seen from its case notes that British Gas recorded its service visit in early December 2022 as 'Serviced boiler. Breakdown booked in'. Miss W said that during this visit, no faults were pointed out by British Gas. The notes haven't been further explained by British Gas and I therefore have no reason to doubt Miss W's version of events.

On a provisional basis, I consider that British Gas hadn't taken sufficient care in diagnosing the cause of the leak and this ultimately meant that Miss W had to replace her boiler sooner

*that she might otherwise have done so. It also appears that British Gas had been less than candid with Miss W once it had discovered the cause of the leak. I appreciate that it's likely that Miss W would have needed to have replaced her tank at some point soon due to its age and damaged state, and from the photographic evidence it doesn't appear that the tank was in the best condition. Due to the terms and conditions of the policy, Miss W wasn't covered for the cost of a replacement boiler, and she would have had to purchase a new boiler in any event. Nevertheless, if British Gas had acted openly, fairly, and reasonably, I consider that it would have offered a replacement at a discounted price. Whilst I appreciate that this isn't an exact science, I consider that a 20% discount would have been a fair and reasonable offer in all the circumstances.*

*As to the service provided by British Gas, I don't consider that it had properly considered the option of repair or replacement of the cold-water supply pipe. If the problem had been diagnosed correctly, I consider that the problem may well have been resolved more rapidly and possibly before the new year. I also consider that it hadn't treated Miss W in a fair and reasonable manner in failing to show her the location of the leak despite her asking this on more than one occasion. It also appears that it hadn't installed the new boiler correctly and that this caused additional inconvenience. In the circumstances, due to the manner in which it acted, and the avoidable delays which are likely to have been caused, I'm satisfied on a provisional basis that this caused distress and inconvenience to Miss W. In all the circumstances, I'm minded to award Miss W compensation in the sum of £500.*

*Finally, I've considered Miss W's claim that British Gas caused damage to her hall carpet and clothing to stem the leak. I do appreciate that it's likely that the leak continued for longer than necessary, as the problem wasn't correctly diagnosed at the outset. It's therefore difficult to apportion the amount of damage which was due to the leak itself (for which British Gas wouldn't be liable under the terms and conditions of the policy), and the amount which was due to any avoidable delays caused by British Gas. Nevertheless, on the balance of probabilities, I've reached the provisional conclusion that the carpet damage would have occurred in any event, even if it had been able to repair the leak prior to the new year. '*

In my provisional decision, I asked both British Gas and Miss W if they had any further comments or evidence which they would like me to consider before I made 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.

British Gas stated in its response to the provisional decision that it was disappointed with the findings, however it had provided all the evidence it could, and had nothing further to add.

Miss W noted the provisional decision and wished to make further comments regarding damage to her hallway carpet. She said that *'When the engineer came to investigate the leak, there was no visible damage caused by the leak to my carpet at that time.'* Miss W said that the consequence of the misdiagnosis by the engineer was that the water continued to leak onto the carpet. She felt that if there'd been a correct diagnosis of the fault at that time, it's likely that the repair would have been carried out quickly, due to the potential damage to her property and carpet. Miss W said that she would have expected the water supply pipe *'to be a readily available part, and if so, I would have expected the repair to have been carried out quickly, as I have homecare agreement to cover this.'* In the circumstances Miss W felt she'd suffered consequential losses and damage to her carpet because of the misdiagnosis.

Whilst I have some sympathy for Miss W's position regarding the hallway carpet, I've already considered this issue very carefully in the provisional decision. In it, I recognised that the

apportionment of damage which would have occurred, even if British Gas had acted promptly and diligently, and I concluded that, *'on the balance of probabilities, I've reached the provisional conclusion that the carpet damage would have occurred in any event, even if it had been able to repair the leak prior to the new year.'* I would add that I consider that on the balance of probabilities, most of the water damage and any staining would have occurred even if a prompt repair had taken place. In addition to this, bearing in mind the timing of the reported incident prior to Christmas, even if the relevant part had been readily available, it's unlikely that the repair could reasonably be carried out immediately.

Miss W also referred to a further issue which she said had caused damage during the installation of the new boiler. She said that when the installation engineer came to install the new boiler, he firstly had to dismantle the old boiler. The engineer went outside for a break with his colleague, and Miss W noted that the dismantled tank *'had been left on its side on the floor of the cupboard, allowing water to leak further from the tank on to my carpet.'* She said that the floor of the airing cupboard and carpet were then saturated. She believed that the residue of water in the tank had poured out of the tank onto the hall carpet. Miss W said that *'The engineers then rushed back into the house, removed the tank and immediately pulled up the carpet to stop the water saturating the carpet further.'* Miss W then sent photographs which she said confirmed this. Miss W asked that this be considered further.

Unfortunately, I'm unable however to consider Miss W's further complaint as a part of this final decision notice. British Gas would need to be given the opportunity to respond to any new element of a complaint in the first instance, and would also need to consider whether, in the event of a further complaint to this service, it would be prepared to waive the usual timescales for complaint.

I appreciate that both British Gas and Miss W will be disappointed to read the contents of this final decision. In all the circumstances however, I've concluded that the provisional decision provides a fair and reasonable outcome to the matter.

### **My final decision**

For the reasons given above, I uphold Miss W's complaint and require British Gas Insurance Limited to do the following in response to Miss W's complaint:

- To reimburse Miss W for 20% of the cost of her new boiler.
- To pay Miss W £500 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 17 December 2023.

Claire Jones  
**Ombudsman**