

The complaint

The estate (Miss H) complains that British Gas Services Limited (BGSL) mis-sold central heating cover (CHC policy) to Ms H at every renewal from 2015 to 2022.

Following the unfortunate passing of Ms H in November 2022, the benefit of the CHC policy was passed to Miss H. Miss H has brought this complaint to this service.

What happened

Ms H was sold a CHC policy, which BGSL renewed each year. The scope of this complaint concerns renewals which took place from November 2015 to November 2022. The CHC policy was designed to cover repairs and maintenance to central heating. It also included a free annual boiler service.

In September 2015 Ms H received a renewal invite asking her if she wanted to renew her CHC policy at an annual cost of £265.06. Each year Ms H was sent a similar renewal invite, including a breakdown of the key features of the CHC policy, and providing cost information should Ms H choose to renew. The renewal invites sent from 2018 included additional wording informing Ms H:

Important Information – parts availability

Our records show that your boiler is [make and model of boiler]

- Your boiler's manufacturer stopped making your particular model of boiler a while ago. They've also told us that nearly all the replacement parts for your boiler are no longer available*
- This means we may not be able to fix your boiler if it breaks down, but we'll do our best to keep it running for as long as possible*
- In the unlikely event we can't fix the boiler, you may be able to get a refund back dated to when you last had work done, or to when you renewed your agreement – whichever's the most recent*

In April 2023 Miss H contacted BGSL to make a claim following problems with the boiler. She was told the boiler wasn't repairable. Miss H made a complaint saying that the policy had been mis-sold to Ms H. BGSL responded saying that since 2016 its engineers had been advising on the age and efficiency of Ms H's boiler, and quotations for a replacement boiler had been declined on multiple occasions. BGSL also said in each renewal document sent to Ms H since 2018, it was made clear that the availability of parts for Ms H's boiler is reduced, and BGSL may be unable to fix issues should they arise. BGSL said in line with the policy terms, as a repair could not be completed, BGSL would arrange for a refund of £222 to reflect the premium for the last renewal.

Miss H wasn't happy with this response, and referred the complaint to our service. During our investigation BGSL confirmed the CHC policy had been sold in 1995. Our investigator

considered the complaint, but said Ms H had been provided with sufficient information each year to decide whether the CHC policy met with her needs. The investigator didn't ask BGS to do anything in settlement of Miss H's complaint.

Miss H disagreed. Miss H said production of Ms H's boiler ceased in 1982. And original parts have been unavailable since 1992. Miss H explained at the time of sale of the CHC policy in 1995, given production of the boiler, and original parts had ceased, the CHC policy has never been a suitable product, and should not have been sold, or renewed each year. Miss H has also commented on the age of Ms H in 2015, saying that she was 91 years old, and BGS should've done more to discuss the suitability of the CHC policy with Ms H before renewing the cover. As the complaint couldn't be resolved, it was passed to me for 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.

First of all, I wish to pass my condolences to the estate. I thank Miss H for taking the time to provide detailed representations about her reasons why the renewal of Ms H's policy has been unsuitable each time. I understand it has been a stressful time for Miss H. I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that's happened or been argued is set out above, I've read and considered everything that has been provided.

The renewal of Ms H's policy each year was done on a non-advised basis. In a non-advised sale we wouldn't expect a business to advise or recommend that the consumer buy the policy. The duty on the business selling the policy is to make sure the consumer is given enough information that is clear, fair, and not misleading so that they can make an informed choice about whether the policy is right for them.

I've carefully considered Miss H's extensive representations about the sale of the policy at each renewal. When evidence is contradictory or inconclusive (or both) I have to make a finding on the balance of probabilities. And on balance, having considered whether BGS did enough to allow Ms H to make an informed decision about whether to renew her CHC policy each year, I'm persuaded it did. And I'm also satisfied that the availability of parts when the policy was renewed each year, didn't materially impact on the suitability of the policy for Ms H. I'll explain why.

I've seen that during 2015 and 2022, Ms H's boiler benefitted from an annual service, and there were two repair visits also completed in February 2016, and June 2019. Miss H says the repair visits don't reflect the suitability of the CHC policy for Ms H, as only minor work was completed. I note Miss H's comments '*... we were not referring to ancillary and secondary parts, that may have been replaced outside of the boiler. The sole focus for the complaint would be whether parts to keep the boiler in full working order would have been available in 2016; and the answer would be that they were not.*' But I don't agree that the availability of parts made Ms H's CHC policy unsuitable.

Ms H had an active CHC policy in place that she was able to use to complete repairs to her boiler. Following the repairs completed in 2016 and 2019, Ms H was able to continue to use her boiler, and the policy was able to provide cover, satisfying the purpose it was designed for. I note Miss H's comments about only minor repairs being completed. But I don't agree that the complexity of the job, (or lack of), made the CHC policy unsuitable. It's evident that the CHC policy met Ms H's needs as she was able to make a claim when needed. Her boiler was repaired, and restored for use, following each repair visit.

I've considered Miss H's comments about annual boiler cover being a more suitable option for Ms H. In investigating this complaint I've looked at the review notes, and what BGSL has explained about what Ms H would've been told at each annual boiler check. I'm satisfied that Ms H was informed about the age and condition of her boiler at every annual boiler check. The review notes include comments such as '*Adv age/parts*', '*Adv customer on new BLR*' and '*Service boiler advised on age and condition on reduce list*'. Had Ms H felt that annual boiler cover was a more suitable product, I'm satisfied there was the option to cancel the CHC policy with BGSL.

I've carefully considered Miss H's comments about Ms H's age at the time of each renewal since 2015. But I'm also mindful that the sale of the policy took place on a non-advised basis each time. And I haven't seen any evidence to persuade me that Ms H was vulnerable, and/or unable to make an informed decision about the suitability of the policy for her. I also haven't seen any evidence to suggest that BGSL ought to have been aware of Ms H's lack of ability (as indicated by Miss H) to make an informed decision. Although I accept what Miss H has explained about Ms H's age at the time of each renewal, I don't think her age in itself made the sale of the policy unsuitable.

In addition to considering the crux of Miss H's complaint about the suitability of the CHC policy because of the age of the boiler, and unavailability of original parts, I've also considered the information provided to Ms H at the time of each renewal.

Renewals in 2015, 2016 and 2017

In line with its retention policy of six years, BGSL hasn't been able to provide any evidence to show what Ms H would've seen at the time of the renewal in 2015. But I've seen that Miss H has provided a copy of a renewal letter received.

I've seen that the renewal letter included a breakdown of the key features of the CHC policy, and cost information should Ms H choose to renew. Although I haven't seen renewal information for 2016, I'm broadly satisfied that on balance, this information would've explained the key terms and cost of the policy- as explained in 2015.

BGSL has provided renewal information, and a copy of the policy terms, applicable for the renewal that took place in 2017. I'm satisfied that the information given in the renewal letters I've seen from 2015 and 2017 was reasonable, and allowed Ms H to make an informed decision about the suitability of renewing her CHC policy.

BGSL has explained that a copy of the policy terms would've been posted to Ms H. BGSL has provided a screenshot confirming these documents being sent in 2017. I haven't seen any evidence to say that BGSL's process for sending documents would not have been followed in this case. So although I can't be certain if Ms H received this information, I'm satisfied that it was sent. The policy terms fully explained the terms and conditions for Ms H's policy, and further enabled Ms H to determine the suitability of the policy for her.

Renewals from 2018- 2022

BGSL has provided renewal information, and a copy of the policy terms, applicable for the renewals that took place from 2018- 2022. The case notes provided by BGSL show that Ms H received policy renewal information each year by post. This continued until the renewal in 2020, when this was sent by email. BGSL has explained that '*in 2020, any customers with a registered email address automatically received their next policy documentation/schedule by email and then had the option to opt out of email correspondence and change back to postal/letter, which it seems was the case with this account*'.

The case notes show that the renewal information was again sent by post in 2021, and 2022. I'm satisfied this would've happened as a result of Ms H making an active decision to change the method of correspondence from email to post.

I've reviewed the renewal information sent for the years 2018- 2022. And I'm satisfied BGSL did enough to draw the limitations of the policy to Ms H's attention. The renewal invitation highlighted the availability of parts, and the impact this may have on a claim. Ms H was made reasonably aware of what this would mean for her policy, and any claims.

I've considered Miss H's comments about the suitability of the policy, once BGSL was aware of the limitations of cover offered by the policy, given the age and make of Ms H's boiler. But I don't think BGSL's knowledge of the policy limitations made the policy unsuitable for Ms H. I think BGSL did enough to highlight what the policy would cover, and whether the policy still met with Ms H's demands and needs. By continuing with cover, I'm persuaded Ms H understood and agreed to the policy terms and limitations.

For the reasons provided I think BGSL did enough to explain the terms, conditions, and limitations of cover, and Ms H was able to make an informed decision about the suitability of the policy for her at each renewal. So I won't be asking BGSL to do anything in settlement of this complaint.

My final decision

For the reasons provided I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 26 February 2024.

Neeta Karelia
Ombudsman