

The complaint

Mr P is unhappy with the service he received from British Gas Insurance Limited (British Gas) after making a claim under his boiler breakdown insurance policy.

What happened

Mr P owns a property which he lets out to tenants. He has an insurance policy provided by British Gas which amongst other things, provides cover for boiler breakdowns.

In January 2023 the boiler in the tenanted property stopped functioning correctly which meant there was no heating or hot water, so Mr P contacted British Gas for assistance.

A British Gas engineer attended and said replacement parts were required, but they were obsolete. So, the engineer disconnected the boiler as they said it was unsafe, and Mr P was told he needed to replace the boiler.

However, Mr P contacted the manufacturer, and they advised that replacement parts were still available from one of British Gas' suppliers. Mr P spoke to British Gas' parts team, and they arranged for the parts to be obtained and an engineer attended to fit them, resulting in the boiler working and restoring the heating and hot water for the tenant.

Mr P complained to British Gas about the service he'd received. British Gas apologised and offered £100 compensation and waived one of the £50 excess fees.

As Mr P remained unhappy, he approached the Financial Ombudsman Service.

One of our investigators looked into things and upheld the complaint. She said that Mr P spoke to British Gas' parts team who confirmed the part required was available, and they told Mr P that if the engineer had contacted them, they could've confirmed this. But as they didn't, Mr P had to source the part himself to enable a repair to be carried out to restore heating and hot water for his tenant.

During this time, Mr P was under pressure from, and constantly being chased by, the tenant, who also asked for a rent deduction due to the time they were without heating and hot water. The investigator said Mr P had been caused distress and inconvenience as a result of what had happened. So, whilst she recognised British Gas had offered £100 compensation and waived a £50 excess, she didn't think this was enough. She therefore recommended British Gas pay Mr P a further £100 compensation.

British Gas didn't agree. They said that the part was showing as obsolete at the time on the system the engineer had access to, and Mr P had been told previously that British Gas may have difficulty obtaining parts due to the age of the boiler. They also said that even if they had obtained the part at the time, it would always have taken some time to receive it in any event.

As an agreement couldn't be reached, the case was passed to me to decide.

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 reached the same overall outcome as our investigator.

British Gas isn't responsible for the boiler not functioning correctly in the first place, and the inconvenience of not having heating and hot water was directly suffered by the tenant, along with the impact of not being provided with temporary heaters for several days. As the tenant isn't British Gas' customer, Mr P is, I can't consider the impact or inconvenience to the tenant directly. Instead, I'll consider the distress and inconvenience caused to Mr P as both the policyholder and landlord.

British Gas says that Mr P was told previously that due to the age of his boiler, they may have difficulties in sourcing parts in the event of a breakdown. And I accept this may be the case, given parts will ultimately cease to be available if the manufacturer stops producing parts for boilers it no longer manufactures.

During the visit from the engineer when the boiler stopped functioning, the engineer said parts were obsolete, therefore they capped the boiler and said that Mr P required a new one. British Gas has provided screen shots of internal systems it says the engineer would've seen which do say the part is obsolete.

However, following being told this by the engineer, Mr P contacted the manufacturer. They told him parts were still available, and they were available from a British Gas supplier. Mr P then contacted British Gas' parts team, and it was as a result of this that the part was able to be obtained and boiler repaired, resulting in hot water and heating being restored for the tenant.

British Gas has been unable to provide any of the call recordings, including those Mr P made with their parts team. But Mr P has provided phone bills to demonstrate the calls he made. Mr P has explained that he was told by the British Gas parts team that if they had been contacted by the engineer, which they should've been, then they could've confirmed parts were available for repairing the boiler. I've not been able to listen to these calls, but on balance, I'm persuaded that this is what happened based on what Mr P has explained, and given the parts were then obtained and the boiler was repaired.

British Gas says that the engineer wouldn't be expected to speak to their parts team. But this is at odds with what Mr P says the British Gas parts team told him. The policy terms also say:

"Replacement parts

We'll try to get parts from the original manufacturer or our approved suppliers."

And it's by doing this himself that Mr P was able to locate replacement parts. Had British Gas done this, as outlined in the terms, and based on what the parts team said, then Mr P needing to do so could have been avoided. But it wasn't until Mr P did this that the parts were obtained which resulted in his boiler being repaired. So, on balance, I think British Gas could've done more here.

I accept the overall timescale from breakdown to Mr P sourcing parts, and British Gas repairing the boiler, wasn't overly long (around a week). And I also accept that even if the engineer had identified the parts were available, it would always have taken a short period of time to receive the parts and fit them. So, the overall timescale may not have been significantly reduced.

However, when we consider an appropriate level of compensation, we don't just take into account the number of days an issue occurred for – which wasn't particularly long here. Instead, whilst we look at the time taken, we also consider the individual impact, distress and inconvenience caused.

Ultimately Mr P has a policy with British Gas to provide assistance in the event of a boiler breakdown as he has a responsibility to his tenant, and he's tried to mitigate against inconvenience to the tenant. Here though, Mr P effectively resolved the issue himself by obtaining parts, rather than needing to replace the boiler as he was told by the engineer. British Gas' parts team said that if the engineer had contacted them, they could've confirmed the part was available so this could've been avoided. And during this time, Mr P was constantly chased by his tenant, and this caused him distress and inconvenience.

Whilst British Gas has been unable to provide call recordings, Mr P has provided details of all the calls he made, and these add up to at least four and a half hours. This is a considerable amount of time Mr P had to spend resolving an issue which ultimately, he took an insurance policy with British Gas to avoid needing to do. British Gas also already accepts that call backs weren't made when they should've been too.

British Gas has waived a £50 excess that would've been payable, but the other excess has been reasonably charged in line with the terms and conditions. And British Gas has also offered £100 compensation. But I agree with our investigator that this isn't sufficient for the impact caused to Mr P here, and I agree with the investigator that British Gas should pay Mr P a further £100 for the distress and inconvenience caused.

My final decision

It's my final decision that I uphold this complaint and direct British Gas Insurance Limited to:

- Pay Mr P a further £100 compensation (in addition to the £100 compensation and £50 waived excess that has already been offered)

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

Callum Milne
Ombudsman