

The complaint

Ms R has complained that British Gas Insurance Limited (British Gas) provided poor service under her home emergency policy, which led to her boiler needing to be replaced.

What happened

Ms R had a home emergency policy with British Gas for several years. During that time, Ms R's boiler had issues and British Gas engineers visited to try and fix it. It also carried out annual services.

During a British Gas engineer visit, he found the magna filter was difficult to access and said it should be repositioned. British Gas provided Ms R with a quote to move the filter and to powerflush the system. A central heating leak was then found, so a leak detection appointment was arranged. However, this found that there wasn't a leak and that the expansion vessel and pressure release valve needed to be replaced. Some pipework was also found to be running uphill. The pipework wasn't covered by the policy, but British Gas fixed it as a gesture of goodwill when it replaced the expansion vessel. A short time later, the powerflush and filter replacement was also completed.

Ms R contacted British Gas again because she had no hot water. British Gas investigated further and found that, although the pipework was better, it still wasn't up to regulations. A valve was installed. A short time later, Ms R's boiler had a breakdown. British Gas was unable to attend for a few days, so Ms R arranged her own engineer. The engineer carried out a temporary repair, but said British Gas should carry out a full repair under the policy. The boiler then completely failed. An engineer visited and had to order parts. When the engineer returned, he noted that circulation was poor and a new powerflush was needed. Shortly after this, Ms R arranged for her own engineer to replace the boiler.

While Ms R's boiler issues were ongoing, she had raised a complaint with British Gas about its service. When British Gas replied, it said there had been two separate issues with the boiler. The first was that British Gas had identified that the pipework installation was substandard. It had replaced the parts covered by the policy and, as a gesture of goodwill, also adjusted the pipework. Following this work, the hot water system was working. The second issue was with the central heating system, powerflush and boiler failure. The powerflush had been completed, but was not effective. So, it agreed to refund the cost of the powerflush, along with £150 as a gesture of goodwill for the overall inconvenience caused. However, as it hadn't been given the opportunity to attempt a boiler repair, it wasn't liable for the advice of the third-party engineer or the cost of a new boiler. British Gas said it hadn't seen any evidence that it hadn't correctly completed the boiler services.

Ms R wasn't satisfied with the response. She wanted British Gas to pay the full cost of her replacing her boiler. So, she complained to this Service. British Gas told this Service it had reviewed the claim again and accepted Ms R had a poor experience over several months, including that it hadn't carried out the full boiler service over several years, despite its engineers recording that they had done so. It offered a further £600 compensation to try and resolve the complaint. Our Investigator put this new offer to Ms R, but she declined it.

Our Investigator then looked at the complaint and upheld it. He said British Gas hadn't carried out the full service, despite its engineers saying they had done so, which he said was a very poor level of service. This had caused Ms R considerable upset and had caused her to decide that this had contributed to her boiler failing. Our Investigator also thought it was likely that the incomplete servicing had contributed to the boiler failing. But, Ms R chose to replace her boiler, rather than giving British Gas to assess it further. So, he didn't think British Gas needed to pay anything towards the new boiler. However, he said British Gas should pay a total of £1150 compensation for how it had dealt with the claim. This was because of the loss of expectation about British Gas' engineers completing the full boiler services, along with the wider issues British Gas had already identified with its service.

British Gas didn't agree with the increased compensation. It said there was no evidence the magna filter hadn't been cleaned during the boiler annual services. It said its offer of an additional £600 was fair in the circumstances. So, the complaint was referred to me.

I issued my provisional decision on 20 August 2024. In my provisional decision, I explained the reasons why I was planning to uphold. I said:

Ms R has said British Gas was responsible for her boiler failing. She wanted British Gas to pay the £4,500 it cost to replace her boiler, a refund of the cost of the powerflush and a refund of premiums going back five years.

It's my understanding that British Gas has already refunded the cost of the powerflush and magna filter change, which was £1,010. So, I haven't considered that issue any further. However, I've looked at the wider circumstances of the complaint and whether what British Gas offered overall was fair.

A key issue in whether British Gas was responsible for the boiler failing was if it had failed to properly service the boiler over several years. When British Gas sent its business file to this Service, it increased its offer of compensation to Ms R by £600. So, from £150 to £750. It explained its reasons for its increased offer, including that:

"Under a previous complaint, regarding a kitchen appliance Ms [R] made our Customer Relations team aware of a recommendation made by our gas engineer, who attended for a fault with her central heating boiler. It was identified that the current position of the magna filter in the boiler meant that access to it was very difficult. As a consequence, our engineers have been unable to remove the filter and clean it as they would usually do, upon the service of [her] boiler each year. It was also note[d] that despite the filter not being cleaned, some engineers had marked on the paper checklist left with, that it had been checked. Our customer Relations team apologised for this error and that the advice to have upgrade work completed to re-position the filter, was not provided at an earlier date."

So, I think it's clear from this that British Gas assessed that the magna filter hadn't been removed and cleaned at annual services. It also said engineers had marked on the service record that they had cleaned the magna filter, despite not having done so. It's my understanding that British Gas also told Ms R that the annual services hadn't been carried out properly. I also note that one of the British Gas engineer's visit notes left with Ms R said "Adv- filter access restricted Heating upgrade Team Req to reposition filter so can be service annually". So, I think the engineer also told Ms R that the position of the magna filter was an issue and it needed to be repositioned to allow the annual services to be carried out.

When our Investigator issued his view on the complaint, British Gas replied and said there was no evidence the magna filter hadn't been cleaned during the annual services. I asked British Gas to explain its position and why this seemed to have changed. British Gas replied and said there was no evidence the annual services hadn't been carried out. It referred to

some work that had taken place a few months before the issues covered by this complaint and that its technical team had said this work meant the magna filter must have been removed. It didn't explain why its position had changed on the annual services.

I'm unable to say whether the magna filter was removed and cleaned at each annual service. It appears it was possible to remove the magna filter. But, if that was the case, I think it's fair to say that British Gas telling Ms R the magna filter needed to be changed to allow servicing to take place, and at her cost, was inaccurate. However, I note that British Gas has already refunded the cost of moving the magna filter.

I've also thought about whether the boiler services contributed to the boiler failing. Even if I assume that the magna filter wasn't removed and cleaned at the annual services, I'm not currently persuaded this meant British Gas was responsible for the boiler failing. I've read Ms R's engineer report. This listed several issues with the boiler, including that the automatic air vent was leaking, the condense trap hadn't been cleaned in some time and the heat exchanger required cleaning/ attention. The report also said:

"It was further reported that the system was not heating evenly and that the system had been flushed recently. This issue is related to either sludge still remaining in the system, the pump incorrectly sized/defective, or simply a balancing issue."

So, I think there were issues with the boiler, some of which might have been down to poor servicing, but I don't think it was clear what the cause of the continuing problems with the boiler was.

Ms R's engineer also suggested two options to resolve the issues. One was to carry out a full strip-down service and the other was to replace the boiler. So, I don't think Ms R's only option was to replace the boiler. After Ms R replaced the boiler, she told British Gas and asked it to pay the boiler replacement cost. But, I'm mindful that British Gas didn't have the opportunity to assess the boiler itself following Ms R's own engineer's assessment. Based on what I've seen, I don't think I can fairly say British Gas needs to pay the cost of replacing the boiler.

Ms R also said she wanted her premiums refunded. The policy wasn't just for her boiler and central heating. It also covered plumbing, drains and home electrics, as well as kitchen appliance cover. So, I think the policy provided a range of cover and, regardless of whether Ms R used the cover, it was available to her if she needed to do so. I also haven't seen evidence that clearly shows that the full boiler annual services weren't carried out.

So, I've also thought about compensation. British Gas initially offered Ms R £150 compensation. When the complaint came to this Service, British Gas offered a further £600 compensation. So, £750 in total. British Gas accepted that its customer service had been poor and that it took several months to deal with the issues with Ms R's boiler. I also note that even after British Gas changed its position on the full boiler annual services and said they had been carried out, it still thought its increased compensation offer was fair. I also think Ms R will have had the shock of being told her boiler hadn't been fully serviced, even if that information was incorrect. Taking into account the full circumstances of what happened, I think a total of £750 compensation is fair. I think it's a significant amount of compensation that fairly reflects the impact on Ms R of how the repairs to the boiler were dealt with and the issues around whether the full annual service was carried out.

I asked both parties to send me any more information or evidence they wanted me to look at by 3 September 2024. Both parties responded before that date.

British Gas agreed with my decision.

Ms R provided some comments and an email from her boiler engineer. In summary, she said:

- British Gas had flushed the system and should have filtered and cleared out the system. This wasn't done and the core components of the boiler became blocked. The blockage led to the boiler being overworked and caused its core part to fail. It would have been a substantial cost to replace the parts and would have taken a few weeks.
- Ms R's parents and her children live with her. At the time of year this happened, it wasn't possible to be without heating and hot water. British Gas wouldn't have been able to look at the boiler until the week after and then might have taken a few weeks to source parts and carry out the repair.
- British Gas came to her house the previous week, so could have resolved the issues the week before the boiler failed. All the engineer did was replace the metal lighter. Had it done the job correctly, British Gas could have resolved and replaced the boiler itself. So British Gas had plenty of opportunity to resolve this. It simply failed in its job by sending contractors who didn't know what they were doing.

The engineer's email, in summary, said:

- The boiler needed to be replaced as an emergency measure due to it being economically unviable and it failed at the coldest part of winter.
- If a part could have been sourced, it would have been about £2,000 to replace it. The boiler was 14 years-old, so it would have been a financially irresponsible decision to make.
- It was reported that British Gas had flushed the system. However, the boiler was physically blocked and it was evident it hadn't been maintained adequately for some time.
- This was why it was the best course of action to replace the boiler that day.

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 uphold this complaint and for the reasons given in my provisional decision. I also think that how I previously said British Gas should resolve this complaint remains fair. I will explain why.

The issue I was looking at was whether the service provided by British Gas under the insurance policy led to Ms R's boiler needing to be replaced. The additional evidence Ms R has provided says a key cause of the boiler failing was that the powerflush wasn't properly carried out, causing a blockage in the boiler. I'm unable to address any issues arising from the powerflush itself. The powerflush was a separately paid for product. It wasn't carried out under an insurance policy and so it's outside of the jurisdiction of this Service. Based on the information and evidence available to me about the services provided under the insurance policy, I remain of the view that there isn't sufficient reason for me to say British Gas should pay for Ms R's new boiler.

I'm also aware Ms R and her engineer have said that, despite Ms R being given two options to resolve the issues with the boiler, replacing it immediately was the only real option. However, Ms R didn't contact British Gas to explain this. I'm unable to say what would have happened if she had spoken to British Gas, including how long it would have taken for it to

arrange an appointment or to source parts. That is a hypothetical scenario, so not one I'm able to comment on.

Putting things right

Having thought again about the circumstances of this complaint, I remain of the view that it's fair for British Gas to pay a total of £750 compensation in response to it.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld. I require British Gas Insurance Limited to pay Ms R a total of £750 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 20 September 2024.

Louise O'Sullivan
Ombudsman