

The complaint

Mr C complains about British Gas Insurance Limited's handling of a claim made under his HomeCare insurance policy.

What happened

Mr C has held HomeCare cover with British Gas since 2017 for a property he rents out. This covers the property's boiler, controls and central heating including an annual service. It also includes repairs to plumbing, drains and home electrics.

A British Gas engineer visited the property in early September 2023 and found an issue with the flue. Mr C was then told because the flue was over one metre in length, the repair wouldn't be covered under his policy. Mr C paid for his own engineer to carry out the repair on 2 October 2023.

British Gas attended again on 3 October 2023 (I understand this was a routine annual service), and the engineer again said there was an issue with the flue, and turned the boiler off as they said it was 'at risk'.

A further problem was reported with the boiler, and British Gas attended later in October 2023 and replaced a gas valve.

Mr C complained to British Gas. He said British Gas's engineers had serviced his boiler several times since he'd taken out the cover, and he'd never been told that flue repairs weren't covered under the policy.

British Gas issued a final response to the complaint in October 2023. It confirmed that it wouldn't be able to repair the flue due to its size and installation. However, it accepted there had been some communication issues – it paid Mr C £40 compensation for this. Unhappy with this, Mr C brought a complaint to this service.

Mr C then raised a further complaint with British Gas. He said he'd arranged for the flue to be repaired, and then British Gas attended again and switched the boiler off with no follow-up communication about this. He said that because of this he had to pay for a contractor to check the safety of the boiler.

British Gas issued a second final response on 18 January 2024. It said the boiler had been disconnected due to health and safety risks, and it didn't accept any liability for repairs as the flue wasn't covered. Mr C asked us to consider this aspect of his complaint too.

Our investigator ultimately recommended the complaint be upheld. She thought British Gas ought to have told Mr C that his flue wouldn't be covered under the policy. To put things right, she recommended that British Gas reimburse Mr C for the cost of the flue repair, plus interest. Our investigator also thought British Gas had given Mr C confusing and conflicting information about the boiler's safety, which led to Mr C arranging for a contractor to check the boiler was safe. She recommended that British Gas reimburse Mr C for this cost, plus

interest. She also thought British Gas should pay Mr C total compensation of £100 for its handling of the claim.

British Gas didn't accept our investigator's recommendations, and so the matter has been passed to me for a 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.

Flue

The policy explains that it covers repairs to a flue up to one metre in length.

The policy covers a first service and annual service. A first service is a check to confirm whether British Gas could cover the boiler and controls (which includes the flue).

British Gas has recently told our investigator that it will cover repairs for the first metre of a flue. And if a flue is greater than one metre, it would need to see a repair invoice showing the full cost, and it would apportion and reimburse the cost up to one metre. However, this goes directly against what British Gas has previously told Mr C and this service. Also, the policy doesn't say anything about British Gas paying a proportionate amount for repairs to a flue over one metre. So I think British Gas was initially correct to say that repairs to a flue over one metre aren't covered under the policy.

As I understand it, British Gas carried out a first service in November 2017 and this failed because of an issue with the flue. Mr C arranged for work to take place - an inspection hatch was added, and two flue clamps installed. British Gas then carried out another inspection in March 2018 and passed the system for cover.

It seems to me that British Gas ought to have told Mr C at this time that repairs for the flue wouldn't be covered because it exceeded one metre in length. So I've thought about how British Gas should put things right.

Although Mr C wants his premiums refunded, as our investigator has pointed out, he's still benefited from the policy despite British Gas's refusal to cover the flue repair. If British Gas had told Mr C that flue repairs wouldn't be covered under the policy as I think it ought to have done, Mr C says he would have taken out cover elsewhere. If that had happened, then the flue repair that took place in October 2023 would've likely been covered. So, I agree with our investigator that a reasonable solution here would be for British Gas to reimburse Mr C for the cost of this repair in line with the remaining policy terms, plus interest.

The invoice Mr C has provided for the flue repairs is dated 2 October 2012 for £650 in total, and says it includes the fitting of a new inspection hatch. I agree with British Gas that it wouldn't need to pay for this.

Mr C told our investigator that he'd paid separately for the inspection hatch. He's provided an invoice dated 10 September 2023 for £288 and this refers to the protection of the bathroom, preparing for access and installation of access. However, it's dated around three weeks before the invoice relating to the flue repairs, and the work was carried out by a different company. So I don't think this is enough to show that the invoice for £650 didn't include the fitting of a new inspection hatch. Mr C should therefore provide British Gas with a breakdown of this invoice so that it can exclude the cost of the hatch if this was included.

Gas safety check

British Gas's engineer attended on 3 October 2023 and isolated the boiler from the mains gas supply. The engineer said this was because the flue wasn't clamped/sealed properly, and the appliance was therefore deemed 'at risk'. It's not clear to me why this happened, given Mr C's contractor had already carried out a repair to the flue on 2 October 2023. British Gas has confirmed the engineer has left the company, so it can't now establish what happened.

British Gas then emailed Mr C on 9 October 2023 to say the engineer had found everything to be satisfactory. British Gas accepts this email was sent in error.

A British Gas engineer then returned on 17 October 2023 and found that a new gas valve was needed. This was replaced a few days later. According to the property's managing agent, the engineer left the boiler connected to the gas at this time.

However, given that British Gas had previously deemed the boiler to be at risk (despite Mr C's contractor carrying out repairs) Mr C says he paid for a gas safety check to take place to make sure the boiler was safe, and this passed the check.

I think British Gas ought to cover this cost on a fair and reasonable basis (plus interest), given that it's unclear why the boiler had been deemed 'at risk' when repairs had already taken place to the flue. Also, the engineer apparently later left the boiler connected, despite no further repairs taking place to the flue.

Though I note the invoice also refers to the fitting of a new carbon monoxide monitor, and so British Gas can deduct this from the payment.

I also think British Gas caused unnecessary confusion here, and I agree with our investigator that it should pay Mr C £100 compensation for its handling of the matter.

Electrical work and other boiler repairs

Mr C paid for electrical work to take place, as well as some boiler repairs. He wants British Gas to reimburse him for these costs. However, he hadn't made British Gas aware of this work previously, and so we've provided British Gas with the invoices for it to consider. If Mr C is unhappy with British Gas's response, he may be able to bring a new complaint to this service.

My final decision

My final decision is that I uphold this complaint. I require British Gas Insurance Limited to do the following:

- Reimburse Mr C for the flue repair, subject to him providing a breakdown of this invoice. If the cost included the fitting of an inspection hatch, this can be deducted from the payment. Interest should then be added at the rate of 8% simple per annum from the date he paid the invoice to the date of settlement (though this can be limited to two weeks after Mr C has accepted this decision, if obtaining the breakdown of the invoice is delayed beyond this).*
- Reimburse Mr C for the gas safety check. Interest should be added at the rate of 8% simple per annum from the date he paid the invoice to the date of settlement.*
- Pay Mr C total compensation of £100 (less the £40 if already paid).**

* If British Gas considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr C how much it's taken off. It should also give Mr C a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

**British Gas must pay the compensation within 28 days of the date on which we tell it Mr C accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 26 November 2024.

Chantelle Hurn-Ryan
Ombudsman