

The complaint

Mr and Mrs T complain about British Gas Insurance Limited's handling of their home emergency insurance claim.

British Gas is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As British Gas has accepted it is accountable for the actions of the agents, in my decision, any reference to British Gas includes the actions of the agents.

What happened

In late 2023, Mr and Mrs T contacted British Gas about a fault with their central heating system. An engineer attended and advised that a powerflush was required.

In mid-January 2024, the powerflush was carried out, but there were further problems with the heating following this work. Mr and Mrs T also reported that the pump for the shower and bath had stopped working. Another engineer attended but wasn't able to resolve the issues, so Mr and Mrs T raised a complaint.

There were a number of visits from British Gas engineers over the next five months. Mr and Mrs T raised several concerns about the work that was carried out and the service they received.

British Gas didn't accept responsibility for the issues Mr and Mrs T believed were caused by the powerflush. But it agreed to cover the costs of the shower/bath pump being replaced.

British Gas offered to cover the costs of heaters purchased by Mr and Mrs T if they could provide receipts. It also offered to change a damaged radiator if this hadn't already been done.

Mr and Mrs T didn't accept British Gas's offer. They didn't think it took into account the extra fuel costs they'd incurred or the inconvenience and stress they'd been caused.

Our investigator looked into Mr and Mrs T's complaint and thought it should be upheld. She explained that our service didn't have the power to look into what might have happened as a result of the powerflush as this wasn't done as part of Mr and Mrs T's insurance contract with British Gas.

The investigator considered the errors and poor service relating to the claim and recommended British Gas pay them £300 to put things right.

Both parties disagreed with our investigator's outcome.

Mr and Mrs T didn't feel that £300 compensation reflected the time, inconvenience, stress, disruption and additional fuel bills they'd incurred. They said it had taken British Gas three months to resolve the heating issues and five months to resolve the issue with the pump. They also didn't feel they should have to pay an invoice British Gas had sent them for the powerflush.

British Gas said the shower pump would never have been affected by the powerflush as the two systems weren't connected. It acknowledged that Mr and Mrs T continued to experience issues with their heating system until this was resolved in April, and it had let them down by leaving unsuitable pipework and causing a leak to a radiator. It said the shower pump and access to replace it wasn't covered by Mr and Mrs T's insurance contract.

British Gas said it didn't uphold Mr and Mrs T's complaint that the power flush had caused their shower pump to fail. It had paid Mr and Mrs T over £1,000 to cover the cost of replacing the shower pump as compensation for the failings under their insurance policy. So, it didn't feel it should have to pay them another £300.

Our investigator recommended that British Gas cover the cost of Mr and Mrs T's increased electricity bills on top of its previous offer to cover the cost of the heaters. She asked Mr and Mrs T if they could provide evidence of the extra electricity cost and confirm if they had receipts for the heaters.

Mr and Mrs T said they purchased a heater at a cost of £30 but did not have a receipt for this. They said they estimated their extra fuel costs to be £80 but they were unable to provide evidence.

British Gas said it would be willing to reimburse Mr and Mrs T for the cost of any heaters they'd purchased when they had no heating on the ground floor if receipts could be provided. It said that it understood their electricity usage would have increased, however their gas usage would have been less during the same period. It also wanted to reiterate that it had made payments to the value of £1,074 for service failings under their policy, which well exceeded the £300 compensation our investigator had recommended. It therefore did not agree to cover Mr and Mrs T's increased bills.

As both parties disagree with our investigator's outcome, the complaint has been 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 broadly the same conclusions as our investigator. I'll explain why.

I've considered everything Mr and Mrs T have told our service, but I'll be keeping my findings to what I believe to be the crux of their complaint. I wish to reassure Mr and Mrs T I've read and considered everything they have sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

Powerflush

Mr and Mrs T say that British Gas caused damage to their shower/bath pump when its engineers carried out a Powerflush in January 2024.

The policy's terms and conditions say:

“British Gas Powerflush

Over time, gas central heating systems build up sludge that can block or narrow your pipes, radiators and boiler parts.

British Gas Powerflush is our way of removing that sludge from your system.

We’ll tell you if your system needs a powerflush to work properly. You’ll need to pay for it separately – it isn’t included in your cover.”

As the powerflush wasn’t something that was covered by the home emergency policy, it doesn’t fall under the scope of a regulated financial product or activity. This means that the Financial Ombudsman Service doesn’t have the power to look into any issues that may have resulted from the powerflush.

Mr and Mrs T have commented that they didn’t arrange the powerflush privately. They were under an obligation to British Gas to do this under their agreement with it. I appreciate there is an exclusion for damage caused by limescale, sludge or other debris if the policyholder hasn’t followed British Gas’s advice to carry out a powerflush or a similar process. However, the powerflush itself isn’t part of the insurance cover. It is a chargeable repair. So, I can’t consider anything that relates to the powerflush.

This means that I can’t reach a finding on whether or not damage was caused by the powerflush or award compensation for this. Nor can I consider Mr and Mrs T’s concerns about the invoice they’ve been sent for the powerflush.

Home emergency cover

British Gas has acknowledged there were a number of issues with the service it provided under the home emergency policy.

I can see that it took around three months to resolve the central heating issues, with a number of visits from British Gas. Mr and Mrs T were left with no heating downstairs and had to rely on their own electric heaters.

Mr and Mrs T say they’ve estimated this increased their energy costs by around £80. But they’ve said they are unable to provide any evidence of this. They’ve also told us that they are unable to provide a receipt for the heater they purchased. I don’t think it would be fair for me to direct British Gas to compensate Mr and Mrs T for the cost of the heater or any additional utility costs they might have incurred without any evidence of this. However, I think it would be fair for British Gas to compensate them for the distress and inconvenience they experienced due to the delay in resolving the issue with the heating.

I understand this was a very frustrating situation for Mr and Mrs T who needed to contact British Gas a number of times to get various issues resolved. For example, radiators and rubbish were left outside their property after one visit. On another occasion, a radiator was damaged by a British Gas engineer who didn’t tell Mr and Mrs T what had happened.

British Gas says it’s already compensated Mr and Mrs T for failings under their insurance policy by making payments of £1,074. I appreciate British Gas has paid for Mr and Mrs T’s shower/bath pump to be replaced, even though it doesn’t believe it was responsible for the damage to it. But as I’ve explained, the powerflush was a chargeable repair which didn’t fall under the insurance contract. I haven’t made a finding as to whether British Gas was responsible for the damage to the pump. What it did to resolve the issue also falls outside of the scope of my decision. So, I can’t take these payments into account when deciding what

British Gas should pay Mr and Mrs T for the issues they experienced in relation to their claim.

Our investigator recommended British Gas pay Mr and Mrs T £300 compensation to compensate them for the poor service they'd received under their insurance policy. And I think this reasonably recognises the frustration and inconvenience they experienced as a result of British Gas's errors. So, I think it would be fair for British Gas to pay this amount to them.

Putting things right

British Gas should pay Mr and Mrs T £300 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mr and Mrs T's complaint and direct British Gas Insurance Limited to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T and Mr T to accept or reject my decision before 15 January 2025.

Anne Muscroft
Ombudsman