

## **The complaint**

Mrs R complains that British Gas Insurance Limited provided poor service under a Home Care policy for a rental property which has caused her financial loss.

## **What happened**

Mrs R held a Home Care policy with British Gas which covers boiler servicing and breakdown. The boiler was serviced under the policy in July 2023.

In October 2023 the tenants reported they had hot water but no heating, and so Mrs R contacted British Gas to ask for an engineer to visit under the policy.

An engineer attended and found there was sludge in the system and a split vessel, so he switched off the boiler, leaving the tenants with neither heating or hot water. The engineer had agreed to call Mrs R about the outcome of the visit but failed to do so, but he did speak to the tenants about what the issues were.

The tenants told Mrs R that the boiler had been condemned and they were leaving the property immediately as there was no heating or hot water. They initially went to a hotel, which Mrs R says she had to pay £300 for.

Mrs R says that as there was no information from the engineer, she was unable to provide reassurances to the tenants about fixing it, and so as a result they left permanently and she had to find new tenants. She complained about this to British Gas saying that she spent time resolving an issue that British Gas were under contract to sort out, and lost income. This could have been avoided if British Gas had contacted her.

British Gas have said that a power flush was needed to remove sludge from the system and Mrs R thinks that she should have been advised as part of her service plan that this was necessary before it caused an issue. She also says that she was given mixed messages from British Gas.

British Gas partially upheld the complaint and awarded £350 for the lack of communication. Mrs R was unhappy with this as she wants recompense for the lost rent, so she brought her complaint to us.

One of our investigators has looked into Mrs R's complaint and he thought British Gas's offer of compensation was fair.

Mrs R disagrees with our investigators view, and so the case has come to me to review.

## **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.

I'm not upholding this complaint and I'll explain why.

I have to decide is whether British Gas have complied with their obligations under the policy and provided the level of service we would expect. I will also consider whether the loss of rent is as a direct result of the failings of British Gas.

### **The repair visit**

British Gas' engineer attended the property on 24 October 2023. The engineer noted the expansion vessel had split, and that there was sludge in the system, which needed a power flush. As a result the engineer turned off the boiler

I understand that British Gas didn't call Mrs R to update her on the action they had taken or advise on the work required, but I can see that Mrs R called British Gas the next day to follow this up after being told by the letting agent that the engineer had told the tenants that the boiler was condemned.

The call handler advised Mrs R that there was no note about the boiler being condemned and offered a second visit to check and also offered a power flush. Nothing was agreed and the call was disconnected.

While I agree that the engineer should have rung Mrs R to explain what was needed on the day of visit as agreed, I can't see that this was followed up further by Mrs R after she spoke to British Gas on 25 October. She had been made aware that a power flush was necessary and there was a split vessel, but she made no further contact with British Gas, and went ahead and had her boiler replaced in full (presumably by a third party) rather than having a power flush.

So, I think it was fair that British Gas should award some compensation for the initial failure to update Mrs R but I'm satisfied that she was given sufficient information about what rectification work was needed for the boiler the following day.

I understand that Mrs R was told by her tenants that the boiler had been condemned, but I've seen no evidence in British Gas's file that this was the case, or that they told the tenant this. It's Mrs R's responsibility to ensure that she or a representative is present in the property when the engineer attends, and I can't hold British Gas responsible for incorrect information that has been given to her by her tenants.

### **Loss of rent**

Mrs R says she has lost 3 months rental income because of British Gas's actions.

In the policy terms, British Gas exclude any liability for losses which would include rental income:

*We're not responsible for any loss of or damage to, or cleaning of property, furniture or fixtures as a result of your boiler, appliance, system or electric vehicle charger breaking or failing unless we caused it, for example damage caused by water leaks or pest or mould contamination. We're not responsible for any reduction in value or damage which results in directly from anything insured by your agreement, such as loss of earnings or travel expenses, or anything which happens naturally over time including deterioration or wear and tear, settlement or shrinkage. We're also not responsible for any losses incurred as a result of delayed, rearranged, or cancelled appointments or failure to have a CP12 in place.*

As the breakdown of the boiler wasn't related to the actions of British Gas, I can't fairly say that they are responsible for Mrs R's loss of earnings from rent.

I also think that despite the communication not being clear about the issue with the boiler, I can't see any evidence that Mrs R took steps to try contact British Gas or get the boiler repaired to get the tenant back in the property, nor have I seen any evidence of loss. In any event, I would expect a landlord to have separate insurance to cover loss of rent in situations where repairs are needed, and a property can't be occupied.

So, I'm not going to direct British Gas to pay for the loss of rent.

British Gas have already awarded Mrs R £350 to compensate for the lack of phone call and miscommunication and given what I have said above, I think this level of compensation fairly reflects British Gas's errors in this case.

### **My final decision**

My decision is that I'm not upholding Mrs R's complaint about British Gas Insurance Limited, and so they don't need to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 27 March 2025.

Joanne Ward  
**Ombudsman**