

The complaint

Miss D has complained about the service provided by British Gas Insurance Limited under her boiler central heating insurance policy.

What happened

Miss D experienced problems with her boiler in late 2023. She duly reported the matter to British Gas as it insured her boiler central heating system at the relevant time. A British Gas engineer attended Miss D's home but didn't fix the boiler as he said that a corroded flue needed replacing first and that this wasn't covered by the policy. Miss D then found that a component had been removed by the engineer. British Gas paid Miss D compensation of £500 for certain service issues.

Miss D remained unhappy with the British Gas offer, as she'd had to pay £2,300 for a new boiler and had to deal with the flue, whilst she'd expected that this would be covered by British Gas. She wanted this cost to be reimbursed and for British Gas to pay £1,000 in compensation. In the circumstances, Miss D forwarded her complaint to this service.

The relevant investigator didn't uphold the complaint as she considered that British Gas had Fairly applied the terms and conditions of the policy. The investigator considered that damage to the flue wouldn't have been covered under Miss D's British Gas insurance cover in April 2023. As such, she didn't think it was covered under the policy in force in November 2023, *'because that had only been taken out after this issue with the flue'*. She therefore considered that the damage was pre-existing and not covered. She agreed that British Gas had been responsible for certain service issues but had responded to Miss D's complaint in a fair and reasonable manner by paying compensation in the sum of £500.

As Miss D remained unhappy about the outcome of her complaint, it was referred to me to make a final decision in my role as Ombudsman. In February 2025, I issued a provisional decision for this complaint and explained why I was minded to uphold Miss D's complaint as follows: -

'The key issue for me to determine is whether British Gas applied the terms and conditions of the relevant policy, and generally acted, in a fair and reasonable manner in this case. I don't consider that it did in all respects, and I provisionally uphold Miss D's complaint and [consider] that it should do more to assist. I'll explain why.

In reaching a provisional conclusion, I've considered the submissions of the parties as summarised below. Turning firstly to Miss D's submissions, she said that she'd had cover with British Gas for 12 years and had purchased the most expensive policy at the relevant time. She said that she should have been informed that her boiler wouldn't be covered for replacement due to its age, as she wouldn't have taken out such an expensive cover if she'd known. When the British Gas engineer came out in early November 2023, he'd been unable fix the boiler due to the corroded state of the flue and said he'd closed off the gas. He offered to privately replace the flue for £500 which Miss D considered excessive. He didn't explain that he'd removed the inlet pipe, or what he'd done with it. This left Miss D without hot water and heating for a month during the coldest part of the year.

Miss D asked British Gas if the flue was included in her policy, and it initially said no but she received conflicting messages as to whether this was the case and it didn't provide a reason for ultimately refusing to replace the flue. She then arranged for her own gas safety engineer to fit a new flue at a cost of £200, but he found that an inlet pipe had been removed by British Gas and had failed to turn the gas off from the meter, despite the British Gas engineer having put a label on the gas meter to state that it was turned off. Her engineer considered this to be dangerous and meant that the boiler couldn't be fixed. British Gas then refused to fix the boiler or to supply a new copper inlet pipe despite it being its fault. The British Gas engineer explained that each inlet pipe was custom made and specific to each boiler and she said that British Gas had lied in saying that it contacted her to offer to replace the inlet pipe. She said that if the engineer had told her that he took the pipe off, she would have been more aware of what was required. She thought that British Gas should pay £500 for the flue, this being its quoted price.

Miss D then had to take out a finance plan to fit a new boiler at a cost of £2,150 including VAT. She added that she'd also paid nearly £220 for independent heaters. During the month without central heating, Miss D said that her windows grew black mould which she was adamant wasn't present prior to the boiler break-down. She provided photographic evidence of the mould problem. Previously, she said that the boiler had passed its services with flying colours, and each report said the boiler was in good condition. Initially, she didn't believe that there had been a boiler check in April 2023 but later accepted that this was the case, but she didn't consider there was flue damage prior to November 2023. Finally, Miss D referred to numerous telephone calls to British Gas where she was 'constantly given the run around' for five months but it had failed to provide help.

I now turn to British Gas's submissions in response to Miss D's complaint. It said that Miss D had been made aware of corrosion to the flue pipe on a previous visit. It said that following the visit in April 2023, the ageing of the boiler was noted, and its engineer considered that the flue was corroded due to a leak from the guttering of Miss D's property. It said that the boiler was made safe, capped at the meter and the pipe isolator left on top of the boiler. It said that Miss D refused the quote for a new flue and said she would wait until the summer to replace the boiler due to its age and wasn't interested in the British Gas boiler or flue quote. The engineer offered to show Miss D where gas isolator was, but this was refused.

British Gas said that it had nevertheless been willing to provide the missing inlet pipe, was working on a replacement and said that she would be updated, however Miss D then advised that she'd already replaced her boiler. It also said that it had been informing Miss D for some time about the age of her boiler and recommending its replacement due to its expected lifespan [and] the availability of parts. It said that the flue wasn't covered under her previous policy cover and that Miss D only took out more expensive cover after the issue with the flue was identified and this would have been deemed as pre-existing damage and not covered. It considered that if Miss D had allowed it to replace the inlet pipe, this would have allowed the boiler to be reconnected. Its case notes show that in April 2023, the relevant engineer had referred to; 'signs of rust on flue'.

I now turn to the reasons for my provisional decision. The starting point for insurance cases of this nature will be the terms and conditions of the relevant policy, as these form the basis of the insurance contract between the consumer and insurer. In this case, the relevant extracts state what's covered, under the 'Boiler and Controls' section, as follows; 'A replacement for your boiler if we can't repair it and... it's less than seven years old; or it's between seven and ten years old, we installed it and it's been continuously covered by us under either a warranty or [relevant] product;...providing you gave us access to carry out your annual service within every period of agreement not covered...' In this case, the boiler was over 10 years old and unfortunately, the consumer wouldn't be entitled to receive a

replacement boiler. Miss D appreciated this point; however she felt that she'd been forced to buy a new boiler prematurely, due to the way in which British Gas handled the matter.

As to the 'Boiler and Controls and Central Heating' section of the policy, this makes it clear that the following isn't covered; '...if we've told you before that you need to carry out repairs, improvements...but you haven't done so'. A further general exclusion also applies as follows, and it is this exclusion which was referenced in the British Gas final response letter; 'Pre-existing faults: Your products don't include cover for any faults or design faults that: were already there when your boiler, appliance, system or electric vehicle charger was installed; existed when you first took out the product; we've told you about before and you haven't fixed...'

Miss D is adamant that she wasn't previously informed of flue corrosion, however the case notes make it clear that some corrosion was present in April 2023. On balance, I don't consider that Miss D was made aware of any corrosion at this time. She's produced the engineer's note from this visit, which advised her to take various actions. The note refers to the fact that some perils were unavailable, and that the boiler was ageing, and she was advised to upgrade the policy. There's no mention of corrosion to the flue however. I provisionally conclude that it would be unfair for British Gas to now say that the flue wasn't covered, firstly because she hadn't previously carried out work to replace a corroded flue of which she wasn't aware prior to November 2023. I also provisionally conclude that it would be unfair to rely on the exclusion regarding pre-existing damage, as Miss D was encouraged to pay for an upgrade without any warning that there may have been relevant pre-existing damage.

The April 2023 note doesn't report on the extent of any rust problem, but on balance it was likely to have been de minimis, as the issue wasn't referenced in the advice to Miss D. In the circumstances, I consider that British Gas unfairly declined to reimburse the £200 paid by Miss D to resolve issues regarding the flue. Having said this, I don't consider that it would be reasonable to expect it to pay £500 (being the British Gas private quote), as it would only be expected to reimburse any costs which Miss D ultimately expended.

As to the inlet pipe, the British Gas engineer said that it had been left on top of the boiler. If it had, it appears that he hadn't explained its significance to Miss D and she was adamant that she hadn't seen it. On the balance of probabilities, whatever the fate of the inlet pipe, the evidence strongly suggests that Miss D genuinely believed that the missing component meant that she had little choice but to purchase a new boiler quickly and that any assistance by British Gas to find a solution was taking far too long. Whilst British Gas may well have offered to return to check for the item, I can understand that by that time, Miss D had felt that she needed to act on an urgent basis without further assistance from British Gas, not least, because she'd been made aware that it would decline to replace the boiler in any event.

As to the distress and inconvenience experienced by Miss D, the question is whether the compensation of £500 offered to Miss D was sufficient to compensate her for the British Gas service failures. This included failure to accept responsibility for the flue, as above. This meant that it didn't then make prompt progress to repair the boiler itself, at the coldest time of the year. Whilst it is a matter of speculation, the existing boiler may well have continued working for some years following a repair. There were also confused messages being sent to Miss D as to whether, and on what basis, the flue was covered under the relevant policy. I also find that the engineer failed to properly explain the inlet pipe issue to Miss D, and again on the balance of probabilities, this was likely to have led Miss D to opt for the quickest option of purchasing a new boiler.

I can understand that these failures and the need for a significant amount of chasing by Miss D will have caused distress and inconvenience. Whilst prompt replacement of the flue and

further repair of the boiler by British Gas couldn't be expected to be carried out instantly, I'm satisfied that Miss D was without heating for much longer than was necessary. I agree with the service's investigator as to safety aspects, that on the balance of probabilities the evidence doesn't clearly show that the property was left in an unsafe condition by the British Gas engineer, and I make no further finding in this respect.

I note that British Gas has acknowledged certain service failings. Compensation of £500 is within the range of compensation we would expect insurers to pay under our guidelines for the distress and inconvenience for the type of service and administrative failures as identified. However, I do consider that British Gas should pay an additional £250 in compensation in the light of what I consider to be its unfair and unhelpful stance in relation to the corroded flue. Miss D would have reasonably expected British Gas to assist under her policy, and as it didn't do so, this led to further distress. Miss D will reasonably have felt she had little option but to proceed on her own to resolve the issue, and to purchase a new boiler earlier than she might otherwise have done. The confusion over the missing inlet pipe will only have served to lead Miss D to lose faith in any solutions being offered by British Gas.

As for any damp and mould which developed over the relevant period, on balance I can't say that there is sufficient evidence to show that this was due to British Gas failures above, as opposed to condensation or lack of ventilation. I note that Miss D had purchased stand-alone heaters over the period in question and whilst these may not be as effective as full central heating, they should have been sufficient to avoid the extent of the damp visible in the photographs produced by Miss D. Again, as there will be some inevitable delay in resolving such issues even when the work is conducted in an efficient manner, and I don't therefore require British Gas to pay further compensation in this respect.

In summary, I provisionally conclude that British Gas should pay £250 compensation in addition to the £500 which it has already offered to pay Miss D for the distress and inconvenience caused. I also require it to reimburse £200 to Miss D, being the cost of replacing the flue.'

In my provisional decision, I asked both British Gas and Miss D if they had any further comments or evidence which they would like me to consider before I made a final 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.

Both Miss D and British Gas have provided further submissions following receipt of the provisional decision. Neither party fully agreed with the provisional decision.

Miss D said that she'd forgotten to mention that there were mistakes in an e-mailed letter from British Gas offering £500 in compensation, and she enclosed extracts from that letter. Firstly, she said it was incorrect in stating that she didn't take out the cover until after the issue of the flue. She said that the premium policy was taken out prior to her calling out the engineer who reported on the issue. She therefore said that the flue would have been covered at the time. The provisional decision concurs with Miss D in this respect as follows; *'I provisionally conclude that it would be unfair for British Gas to now say that the flue wasn't covered...'*

Miss D then referred to other extracts from the letter, one referring to some parts of the boiler becoming more difficult to source. She didn't think that she would need to buy a new boiler as she considered it had a *'high energy rating and was considered in good condition'* and that there was nothing wrong with the flue. Another extract referred to the engineer offering

to return, but she said that this wasn't the case. In the circumstances, Miss D denied that she refused a chance for him to return as there was no such conversation. Finally, Miss D said that British Gas had booked in another engineer to fix the boiler, but when she told him on the phone that the inlet pipe was missing, he refused to attend as he said he couldn't help without there being an inlet pipe.

Miss D explained that there were numerous discrepancies which led her to take matters into her own hands. The provisional decision acknowledged that Miss D had felt that she had lost faith in the process and that she felt she needed to act on an urgent basis without further assistance from British Gas. In the circumstances, none of the above submissions alter any of the provisional conclusions contained in the provisional decision.

Finally, Miss D referred to an extract in the letter where British Gas stated that it was unable to cover the costs of a new boiler as she hadn't given it a chance to replace the inlet pipe and to get the boiler up and working again. She stated that based on British Gas's own argument therefore, and bearing in mind the above discrepancies, she should be entitled to a new boiler as she'd given British Gas every opportunity to rectify the problem. I remain satisfied, however, that under the terms and conditions of the policy, British Gas wasn't required to offer a replacement boiler to the age of the existing boiler.

I now turn to the further submissions made by British Gas. It considered that it was unfair to require it to cover costs that could have been avoided by Miss D. It therefore disagreed with any decision requiring it to reimburse £200, being the cost of replacement flue, or to pay an additional £250 in compensation. It didn't consider this to be warranted for reasons previously given. It was of the view that £500 already paid, had fairly recognised any distress and inconvenience.

British Gas added that the engineer was *'very clear where he had put the inlet pipe when [Miss D] was ready to have the repair completed, so that the engineer could then reconnect using the inlet pipe.'* It said that the engineer made *'several'* offers to revisit and show her where he had placed it on the boiler and to help her look for it, and that these offers were all declined. British Gas was adamant that Miss D made a conscious decision as to how she wanted to progress the matter, despite offers to help and mitigate any further costs to her.

Having considered these further submissions, no new evidence has emerged and none of the submissions are sufficient to persuade me to alter the conclusions provisional decision. In the circumstances, I'm satisfied that the provisional decision provides a fair and reasonable outcome to this matter

My final decision

For the reasons given above, I uphold Miss D's complaint and require British Gas Insurance Limited to do the following in response to her complaint.

- To pay Miss D £750 compensation in total for the distress and inconvenience caused, less the sum of £500 if this sum has already been paid to Miss D.
- To reimburse Miss D the sum of £200 in relation to the replacement flue which she purchased.
- To pay interest on the sum of £200 calculated from the date Miss D paid the relevant invoice up to the date of settlement, at 8% a year simple interest*

*If British Gas considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss D how much it's taken off. It should also give Miss D a

certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 10 April 2025.

Claire Jones
Ombudsman