

The complaint

The estate of Mrs H has complained that British Gas Services Limited mis-sold her central heating insurance cover. The estate is represented in this complaint by Miss H, the daughter of Mrs H.

What happened

Miss H's mother took out a boiler and central heating insurance policy with British Gas in 1995 and it renewed every year since until the boiler broke down in 2023. The engineer that attended on behalf of British Gas in 2023 said the part required had not been available for many years. Miss H subsequently looked into the cover and found that the manufacturer had stopped making this boiler in 1982 and stopped making parts for the boiler in 1992, 13 years before the policy was first taken out.

Miss H says that the policy was not worth having and should not have been sold or renewed. She says if her mother had known about the shortage of parts since 1992, she would have opted to just have her boiler serviced and would not have kept renewing this policy. Miss H therefore wants the premiums to be refunded, less the cost of the annual services.

One of my ombudsman colleagues issued a final decision on the complaint about the renewal of the policy from 2015 to 2022 in January 2024. They did not uphold the complaint, as they were satisfied that sufficiently clear information had been provided by British Gas to Mrs H to allow her to make an informed decision about whether to take the policy out each year. They also noted that cover had been provided in that period, as there were repairs carried out in 2016 and 2019, as well as annual services provided as part of the insurance cover.

Ms H then raised a complaint about the sale and renewal of the policy from 1995 to 2014, which is what I have been asked to consider.

British Gas does not accept it has done anything wrong. It says that it has serviced and repaired the boiler in this period, so Mrs H had the benefit of the cover she paid for.

Ms H remained unhappy with British Gas's response to her complaint, so referred the matter to us.

One of our Investigators looked into the matter. He explained that before 2009, the policy provided by British Gas did not constitute an insurance product and as such, we do not have jurisdiction to consider a complaint about the way they were sold. The Investigator explained he could therefore only consider the sale and renewal of the policy that took place after 6 August 2009 to 2014. He did not consider there was any evidence British Gas was aware of any vulnerability or that Mrs H was not competent to make decisions about the cover. She was recorded as a priority but this was due to general age but not due to any lack of capacity or other vulnerability that would mean British Gas should not have renewed her policy.

Miss H does not accept the Investigator's assessment. She has made a number of points in response. I have considered everything she has said but have summarised her main points below:

- The Investigator did not understand and consider the complaint raised but highhandedly said he would decide the key issues to investigate. He missed the key point, which is simply did British Gas tell her mother that her boiler had not been manufactured since 1982 and parts had stopped being manufactured in 1992?
- It is not relevant whether her mother used the policy for repairs or annual services. It is about whether her mother was aware that parts for her boiler would not be available to restore her 41 year old boiler to full working order.
- In any case, the investigator refers to one visit in November 2011 but no actual replacement or repair was carried out on this visit, this is not factual evidence of part availability.
- British Gas denied the existence of policies before 2015 for many months. The Investigator said this was dealt with as part of a previous complaint but she says it is relevant to this complaint. She has concerns about the approach and investigation done.
- It was British Gas themselves who advised us in 2023, that parts for our boiler stopped being manufactured in 1982 and became unavailable from 1992. However, it did not inform Mrs H of this fact at any point.
- The Investigator has formed his conclusion based on incorrect information and made value judgements about her mother, which were not relevant to this complaint.
- The Investigator said he could only consider the sale and renewal of the policy in certain years but this was not identified in the previous complaint. He has therefore excluded the original sale of the policy and issues around that.
- No renewal paperwork between 2009 and 2014 has been provided by British Gas. Seeing actual documents for the years in question is key. It is quite clear that between 2009 and 2014, British Gas did not disclose any information about parts in the renewal paperwork because they were only required to be more transparent from 2018 onwards.
- British Gas says its working practice is to contact customers in advance when parts for a boiler become limited or unavailable, so the customer can then review the appropriateness of the policy and make any changes where they wish but it did not do. British Gas did not fulfil its responsibility here with Mrs H, as it failed to notify her that the heat exchanger as just one example; had become unavailable many years beforehand.
- British Gas declined to fully explore the complete availability of essential working parts throughout the period as she requested, which would have settled the complaint one way or another.
- The Investigator said an invitation in the 2015 renewal for Ms H to contact it to discuss options is irrelevant. Mrs H was still not told of the unavailability of parts, so she would not have had any reason to call British Gas in response to this. The complaint is about what British Gas did not say in its renewal paperwork, rather than what it did say.

Miss H also says she has spent considerable time pursuing this matter during a period of grief for her mother.

As the Investigator was unable to resolve the complaint, it has been passed to me.

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.

Jurisdiction for sales pre-2009

The Investigator explained that prior to August 2009, the boiler cover provided by British Gas constituted maintenance or service agreements and were not insurance regulated products. He explained we could not therefore consider the complaint about the initial sale in 1995, or the renewals from then to 2008.

Ms H disputes this as she says she has proof of payment to British Gas in 2007, which shows that the insurance policy was in place prior to 2009.

The service agreements were provided by British Gas Services Limited, which is why Ms H might have a record of payment to it in 2007 but the contracts they provided were not insurance products and therefore I cannot look into anything about them. If Ms H wants this considered further, it would have to be the subject of a separate decision.

Sales from 2009 – 2014, inclusive

Those selling insurance have a responsibility to provide clear and fair information about the cover provided, so that consumers can make an informed decision about whether or not to buy it. This would include any relevant details about how the cover would work in practice that might influence a potential policyholder's decision to take the policy or not.

Ms H is adamant that we should only be considering whether her mother was told at each renewal that parts for her boiler were unavailable. She thinks it is irrelevant whether her mother had an annual service, or any repairs done, under the policy.

However, I have to look at what British Gas did in the context of the regulations and rules applicable at each renewal and whether if it did do anything wrong the impact of that. In order to determine whether the policy was fundamentally unsuitable, which is essentially what Ms H asserts, it is necessary to consider whether her mother had or could have had benefit from it.

I have to consider whether it is likely that Mrs H was given enough information about the policy to be able to make an informed decision about the suitability of the policy for her and whether to continue it or not. And if not, what impact this had on her.

The renewal documents sent to Mrs H in 2009 to 2014 are not available. The Investigator considered they were likely to be similar to those sent in 2015, which are available, and commented that the 2015 letter said British Gas would be happy to discuss options for cover.

I agree it is likely the previous renewals said something similar. However, I accept the renewals between 2009 and 2014 did not say anything about the availability of parts.

However, even if I were to determine that Mrs H was not given sufficient information in order to make a decision about the policy and she should have been given information about the availability of parts for her boiler, this does not mean the complaint would automatically be upheld and that it would be appropriate for the premiums to be refunded. I have to consider what difference this would likely have made to Mrs H at the relevant times, in particular whether it is likely she would have continued with the policy, or would have cancelled it.

Of course, I cannot be certain what Mrs H would have done but I have to weigh up the information I do have to consider what is most likely. Miss H has raised that the Investigator made value judgements about what her mother would have done and says this is inappropriate. However, that is what I am required to do. I have to make a value judgement about what is most likely to have been the case based on the information and evidence I have.

Having considered everything carefully, I do not think that there is enough evidence for me to safely determine that Mrs H would not have gone ahead with the policies between 2009 and 2014. I will explain why

Mrs H knew the age of her boiler and I think it is reasonable to assume people would understand that it may become more difficult to repair an appliance the older it is.

Some parts would have still been available from suppliers that hold large stock and other generic or reconditioned parts would also have been available, even if branded parts were not. In addition, some repairs do not require a new part; it might need repair, cleaning or adjustment of the existing part. Mrs H also had an annual service included in the cover.

Given this, I cannot reasonably conclude that the policy was fundamentally unsuitable for Mrs H in this period. And it seems to me that some customers would consider the policy still worth taking, knowing that some parts might not be available but also knowing that some repairs could be carried out.

Mrs H had a very old boiler, it had not needed many repairs over the years, so she may have chosen to continue the policy as it would still cover repairs such as the one carried out in 2011, where a repair was required but this did not involve a replacement part. And it also included the annual service that Mrs H benefited from.

I also note that Mrs H was told at each annual service over the years from 2015 to 2022 that there were reduced parts and she should replace the boiler due to its age and condition. She did not act on this advice, so it seems to me unlikely she would have done anything different even if she had been told there were reduced parts available for her boiler in the renewal documents from 2009 to 2014.

Having considered everything carefully, I am not therefore persuaded that it is likely that Mrs H would not have renewed the policy between 2009 and 2014 even if she were told that some parts required to restore the boiler to full working order were not available.

Miss H also says that British Gas told her in a letter dated February 2024 that its policy was to tell customers as soon as a part became unavailable but it failed to follow that policy. I have not seen any evidence that this was its policy at the time of these renewals. And I do not think this impacts the consideration of whether Mrs H would likely have chosen to continue the policy in the period I am considering.

Miss H is also unhappy that British Gas denied there were any policies in place before 2015 and never explained why. We do not generally investigate why things happen, we only consider if something has gone wrong and if so, what impact that has had on the individual complainant. This is because we have no power to fine or punish a financial business, only to make awards that put right any detriment caused to a complainant. I can see this would have been frustrating for Miss H but can understand that the records of the older policies may not have been readily available. This did not prevent Miss H from bringing the complaint. In any event, I cannot make any award for any inconvenience or trouble caused to Miss H herself, only for any impact anything done wrong by British Gas had on her mother.

I understand this has been a difficult time for Miss H but I am afraid I do not consider British Gas can reasonably be required to refund the premiums for the policies in place between 2009 and 2014.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs H to accept or reject my decision before 22 April 2025.

Harriet McCarthy
Ombudsman