DRN-5611318

The complaint

Mr T complains about the way in which British Gas Insurance Limited (BGIL) dealt carried out an annual boiler service and gas safety check. He's unhappy about the service he received from its engineers. And he complains that BGIL unfairly increased his HomeCare policy premiums.

What happened

Mr T owns a rental property, which is a third floor flat. He's held several insurance products with BGIL for several years. However, the policy that's the subject of this complaint is a HomeCare product, which covers Mr T's rental property for breakdowns and repairs to his boiler and controls, central heating system, plumbing, drains and home electrics. It also includes an annual boiler service and inspection of the gas safety inspection.

In April 2024, Mr T requested a gas safety certificate and annual boiler service. An engineer attended Mr T's property to undertake the requested work on 22 April 2024. During this visit the engineer visually inspected the flue and observed that the flue seal had perished with the external inner flue being no longer engaged with the boiler.

The engineer informed Mr T they'd have to dismantle the boiler to access the rear flue, replace the damaged seal and test it from the exterior of the property. The engineer explained they weren't trained to work at height. Mr T said he was also informed by the engineer that, even without the ladder work, it would take a long time to undertake the work required. He said he had to get back to work so the appointment was rearranged.

On 24 April 2024, the engineer returned to Mr T's rental property to attempt the repair accompanied by a ladder trained engineer. However, even with ladders, it wasn't possible to access the external flue due to its height. Mr T was advised that scaffolding would be needed to access the external flue and undertake the work required.

Mr T thought what was being proposed was unnecessary and challenged the engineers. But the engineers informed him the testing and work was necessary. And, before leaving the property, the boiler was capped and declared it unsafe for use because the remedial work couldn't be completed.

Mr T was unhappy with the decision to condemn his boiler and complained. He said this decision had been made without speaking to him first. And he said this had financially impacted him as he was unable to market his property to the rental market. Mr T requested a second opinion from another BGIL engineer. But he said this wasn't provided because an engineer appointed by BGIL to attend his property on 8 May 2024 didn't enter the property and an engineer instructed to attend on 29 May 2024 cancelled their visit over the telephone. So, he never received a second opinion from BGIL.

On 7 June 2024, Mr T instructed an independent contractor to inspect his boiler and provide the second opinion he'd wanted. He said this engineer certified that the boiler was safe, issued the gas safety certificate and disagreed with BGIL's decision to condemn the boiler.

Mr T complained to BGIL about what had happened. He wanted it to reimburse the cost of the second opinion he'd obtained from his contractor (£230) and refund the cost of his annual policy. He also wanted BGIL to compensate him for two months loss in rental income and utilities he'd had to pay while his property was unoccupied, which he said he'd suffered because of the decision to condemn his boiler.

On 9 July 2024, BGIL issued its final response to Mr T's complaint. It didn't uphold his concerns and asserted it had aided and supported Mr T under his policy. It explained that its decision to condemn the boiler had been correct. It disputed responsibility for the loss of rental income, which it said was excluded by the policy terms. But it conceded there'd been aspects of poor service, which included unproductive visits, the attitude of engineers and the inconvenience and distress Mr T had been caused as a result. It apologised for this and sent Mr T a cheque in the sum of £300 as compensation for what had happened.

Being dissatisfied with how BGIL proposed to resolve his complaint, Mr T referred it to our service. He asked us to investigate what had happened and stated that he wanted our service to also look into a complaint about unfair policy premium increases.

Our investigator approached BGIL and confirmed it was content for us to consider the merits of unfair premium increases as part of our assessment of Mr T's complaint. So, this concern was added to the complaint.

Our investigator assessed the available evidence and empathised with Mr T. But they didn't recommend upholding his complaint. They were satisfied BGIL had made an informed and reasonable decision to condemn Mr T's boiler and had provided appropriate assistance under the policy. They were persuaded the compensation offered to reflect the aspects of poor service was fair and reasonable. And they didn't identify any unfair practices in the premiums Mr T had been charged by BGIL. So, they didn't recommend BGIL take any further action to resolve this complaint. But Mr T didn't accept our investigator's view of this complaint and requested an ombudsman's 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.

I'm sorry to hear about the difficulties Mr T experienced here. I know he feels very strongly about this matter and I appreciate the reasons he brought his complaint to our service. However, while I sympathise with Mr T, the issue that I must determine is whether BGIL made a mistake, or treated him unfairly, such that it needs to now put things right.

This service is an informal dispute resolution service. When considering what's fair and reasonable, I'm required to take into account a number of matters, which include relevant law and regulations, regulators' rules, guidance and standards, codes of practice, the terms and conditions of any insurance policy and, where appropriate, what I consider to have been good industry practice at the relevant time. I'm not limited to the position a court might reach.

I've read and considered all the information provided by Mr T and BGIL, but I'll concentrate my decision on what I think is relevant to decide the complaint. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is the right outcome.

In the background to this complaint, I explained that the initial visit to Mr T's property on 22 April 2024 couldn't be completed due the attending engineer not being trained to work at height and the time required by the engineer to undertake the necessary work, which Mr T didn’t have available.

I recognise that not instructing an engineer who could work at height could have caused delay here. But I’m not persuaded that it could have been anticipated by BGIL that an engineer with such training would have been necessary here to undertake a boiler inspection. And, even if the engineer BGIL appointed had been trained to work at height, this wouldn’t have changed the outcome of the visit on 22 April 2024 because ladders wouldn’t have facilitated access to the external flue due to its height. Again, I’m satisfied that wasn’t something that could have been anticipated by BGIL.

I’ve mentioned that Mr T was unable to commit the time required on this date due to obligations elsewhere. So, the required work that could have been completed within the property couldn’t be undertaken. This wasn’t BGIL’s fault, and I can see a visit was rearranged for two days later, which I’m satisfy offered a swift resolution to difficulties that caused the visit on 22 April 2024 to be unsuccessful.

I’ve seen evidence that satisfies me that the concerns of the engineer attending Mr T’s property on 22 April 2024 about his boiler were appropriate and fair. They visually inspected the flue. And I accept their assessment that the seal between the boiler and flue had perished and that this had caused the external inner flue to be no longer engaged with the boiler. Here, BGIL has presented evidence that demonstrates the boiler was rear flued.

I’m satisfied that, during the second visit to Mr T’s property which occurred on 24 April 2024, engineers were present for a protracted period. I say this because the records indicate that they were there for over 6 hours. It appears that, during that time, engineers spent their time draining the boiler down, removing it from the wall to enable them to see part of the flue and attempting to withdraw the flue through the wall in efforts to try and reseal it. However, it wasn’t possible to withdraw the flue through the wall because it was cemented to the external wall.

I know Mr T disputes that it was necessary to undertake external works. But BGIL’s evidence demonstrates that the seal between the boiler and flue had perished and required repair. And the flue couldn’t be pulled inside property due to the cement holding it in place. This meant the flue could only be further inspected by accessing it via the property exterior and undertaking external works to break up the cement, which was holding the flue in place and preventing it from being pulled inside. BGIL’s has presented clear and cogent evidence that the access to the external flue was necessary here.

I’m satisfied that the ladder trained engineer attempted to access the external flue using ladders to complete the required work. However, this wasn’t possible due to the height of the external flue. I’ve mentioned that Mr T’s rental property is a third floor flat. So, I can understand why an engineer was unable to access an external flue located at this height from the property exterior. The evidence has shown that even the longest available ladders couldn’t reach the flue and this meant that scaffolding was advised as the only safe option to facilitate access to the external flue.

I’m aware that Mr T disputes that scaffolding was required here. But as ladder access couldn’t be facilitation, I’m satisfied that advising that scaffolding was required for safe access wasn’t unreasonable in the overall circumstances. And I’m persuaded that the absence of scaffolding precluded BGIL from gaining access to the external flue, which meant the ladder trained engineer was unable to complete the necessary inspection and repair.

I should explain that Mr T’s HomeCare policy doesn’t cover the cost of scaffolding. So, this would have been a cost Mr T would’ve had to incur had he wanted BGIL to complete the work required. As he didn’t erect scaffolding, I’m not persuaded there was an opportunity for

BGIL to reattend to undertake the required work safely.

As the work couldn't be undertaken by the engineers attending Mr T's property on 24 April 2024, the boiler was deemed unsafe and capped. I'm aware that Mr T refutes the decision to condemn and cap his boiler. He's also questioned the competency of engineers who attended his property on that date.

While I can understand that Mr T is bound to have been frustrated by the decision the engineers made on 24 April 2024, there's no evidence the engineers appointed by BGIL weren't suitably qualified to inspect the boiler to assess whether it was safe. They were instructed by BGIL specifically for that purpose. And I'm satisfied they were appropriately appointed by BGIL to undertake that task.

I've already mentioned, the engineers were present at Mr T's property for over 6 hours on 24 April 2024 in which they undertook extensive exploratory work during that time. As they weren't able to complete the work that was required to repair the flue seal and this made the boiler unsafe to use further.

An unsafe boiler is a potentially immediately dangerous situation and therefore capping a boiler that cannot be repaired isn't an unreasonable course of action. I'm not persuaded the boiler would've been capped or declared unsafe to use unless this had been a necessary safety precaution.

I understand that Mr T is unhappy the boiler was capped and declared unsafe without speaking to him first. BGIL accepts it ought to have spoken to Mr T before capping the boiler. It's accepted that process wasn't followed here. However, I'm not persuaded that contacting Mr T before such action was taken would've changed the outcome. I say this because, had Mr T refused to permit the boiler to be capped, BGIL would've had an obligation to notify the gas supplier who would've, likely, attended to disconnect the boiler from supply for safety reasons. So, the boiler still wouldn't have been able to be used, and Mr T would, ultimately, still have been in the same position.

I'm aware that Mr T subsequently appointed an independent contractor to inspect his boiler. This contractor reconnected the boiler and issued a gas safety certificate confirming the boiler was safe to use. The contractor doesn't appear to have shared the concerns BGIL's engineer had. But that doesn't mean that BGIL's concerns weren't valid.

I've seen photographs, which evidence the work undertaken by the independent contractor. The images don't show that the flue seal has been repaired or rectified as was recommended by BGIL's appointed engineer. So, there's no evidence that the work recommended and required by BGIL to make the boiler function safely has been undertaken.

I can see BGIL offered to send an independent safety assurance engineer to check the quality of the work undertaken by Mr T's contractor. I understand this offer was rejected by Mr T. I've mentioned that there isn't any evidence that the work identified by the engineer of 24 April 2024 has been completed before the gas safety certificate was issued. And, without an inspection taking place, BGIL is unable to declare that the work undertaken is safe, which is reasonable here.

I'm aware that Mr T wants BGIL to reimburse the cost of appointing an independent contractor to provide the gas safety certificate. But I've already explained that I'm satisfied the assessment of BGIL's engineer was appropriate and reasonable. And, given the absence of evidence confirming that the work identified by BGIL's engineer has been undertaken by Mr T's appointed engineer before they issued the gas safety certificate, I'm not going to direct that BGIL reimburse this cost.

I'll turn now to the second part of Mr T's complaint, which relates to the service he experienced following the engineer's visit on 24 May 2024.

In the background to this complaint, I referred to the difficulties Mr T experienced in trying to obtain a second opinion from BGIL. I can understand Mr T's frustration when the engineer who attended his property on 8 May 2024 didn't enter the property. I recognise that would have been exacerbated by the cancelled engineer visit on 29 May 2024. I accept Mr T's evidence that the way in which he was spoken to, at times, was unprofessional, rude and upsetting. It's clear that the service delivered by BGIL after 24 April 2024 fell short of the standard it strives to deliver.

BGIL has already accepted there were unproductive visits and a poor attitude from some of its engineers. And it's recognised that this impacted on Mr T and the service he received. It paid him £300 in compensation for the distress and inconvenience this caused. It's clear Mr T feels this sum doesn't appropriately acknowledge the trouble and upset he suffered. So, I've thought about whether the compensation paid to him was fair and reasonable in the overall circumstances of what happened.

We don't punish businesses by awarding damages or compensation as this isn't our role. When deciding what potential compensation to award our service must take two things into account: financial loss as a result of any business error and non-financial loss, including inconvenience and upset.

Mr T has informed BGIL and our service that he's suffered financial loss because of what happened. He's stated he was unable to rent out his property while the boiler was certified unsafe and this meant he lost out on rental income and incurred the cost of utilities during that period. However, the terms and conditions of Mr T's policy with BGIL outline in clear intelligible language that loss of earnings or other associated losses are excluded. So, I can't direct it to reimburse Mr T for the financial losses he incurred as a result.

Turning now to awards for non-financial loss there isn't a set formula that we use to calculate awards for errors. It's my role to consider what impact BGIL's actions had on Mr T and to decide, within guidelines set by our service, what an appropriate amount of compensation might be.

In thinking about the appropriate level of compensation here I've taken all the shortcomings by BGIL into account and I've thought about the impact that would have had on Mr T given that this complaint concerns a rental property he was keen to rent out. I'm also aware that what happened wasn't protracted and Mr T was able to obtain the certificate he wanted, albeit from an independent contractor, within 6 weeks of his boiler being declared unsafe by BGIL. This meant he was able to remarket his property within 6 weeks.

Having thought about all of that, I'm satisfied £300 is a reasonable amount that fairly recognises the impact this all had on Mr T. It's consistent with our approach in similar scenarios and it's what I'd have directed BGIL to pay had an offer not already been made. I can appreciate that Mr T will have spent time in raising his complaint with BGIL and in bringing his complaint to our service. But I'm satisfied that £300 in compensation fairly recognises that too. As this sum has been paid to Mr T, I'm satisfied BGIL need take no further action to resolve this part of Mr T's complaint.

The final part of Mr T's complaint relates to policy premium increases that have applied to his HomeCare policies over the years, which he says have been unfair.

I'd like to explain to Mr T that our service doesn't have the power to tell a business what its insurance should cost. We would be, in effect determining or telling a business how it should operate – and that's not our role. However, we can look at whether BGIL has treated Mr T fairly during the time he held a HomeCare policy.

To make a finding that BGIL had treated Mr T unfairly I'd need to satisfy myself that it had unfairly increased the cost of his policy over the years he'd held cover. In assessing this issue, I've considered a number of things such Mr T's risk profile, information about the cost of the premiums Mr T paid over the years and what BGIL has said about how the premiums were calculated.

BGIL has shared its pricing data with our service. This evidence satisfies me that BGIL's approach to pricing is reflective of a customer's risk profile. There appears to be a clear rationale that led to the increases in premiums over the time that Mr T was insured with BGIL. So, I'm persuaded that the premium price offered to Mr T over the years has reflected the risk of providing insurance such as the number of claims made, his geographical locality and the boiler age, make and model. The evidence I've seen satisfies me that Mr T's premiums were calculated by BGIL in the same way it would have done for any other customer in his circumstances.

Mr T has been a longstanding customer of BGIL. But there's no evidence BGIL has increased Mr T's premium because of the length of time he's been insured. I can see there were occasions when Mr T discussed his renewal premium with BGIL's retention team and was offered a discount on the quoted renewal cost. There's evidence that Mr T was able to engage with BGIL during the time he held policies and contact it if he felt the renewal premium was too high. In the overall circumstances, I'm not persuaded that Mr T was overcharged.

Mr T told our service he wanted BGIL to refund the cost of his annual policy. But I'm not going to direct it take such action as part of this final decision. I say this because engineers attended his property to inspect the boiler during April 2024. And while the work wasn't completed, that wasn't due to an error on BGIL's part. As Mr T has had the benefit of the policy there are no grounds to say the premium he paid should be refunded.

I realise Mr T will be disappointed with this decision but for the reasons set out above, I'm not upholding this complaint. This now brings to an end what we, in trying to resolve Mr T's dispute with BGIL, can do for him. I'm sorry we can't help Mr T any further with this.

My final decision

My final decision is that I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 17 August 2025.

Julie Mitchell
Ombudsman