

The complaint

Miss O complains that she was mis-sold her HomeCare policy by British Gas Insurance Limited as in September 2024 she was told her BoilerMate cylinder couldn't be repaired as the parts needed weren't available. So she required a new boiler and had to take out finance to cover this cost.

What happened

Miss O had a HomeCare policy with British Gas covering her boiler and central heating system. In September 2024 Miss O had an issue with her heating and a British Gas engineer attended her property. The engineer told her that her system required a new BoilerMate cylinder which they couldn't source as the replacement part was obsolete.

She was told she could attempt to source the part herself, and if she was able to and the part was approved, they'd arrange for an engineer to fit it. Miss O wasn't happy with this suggestion as she said she wouldn't know what the correct part was. So she was told her only option was to replace her boiler.

Miss O has told us she has Type 1 diabetes so requires a warm house but she was left without heating until 4 October 2024 when her boiler was replaced. She took out a finance agreement for £5,441.83 to cover the cost of a replacement boiler.

Miss O raised a complaint with British Gas. They said that the obsolete part was a BoilerMate cylinder and everything else was in working order. They didn't accept that she'd been mis-sold her policy as they said she'd been advised at renewal since 2018 that there were issues obtaining some parts for her boiler. And that since she'd first been told this their engineers had attended her home on multiple occasions and completed successful repairs. But now the stage had been reached where the part required was obsolete and they were unable to complete a repair.

British Gas said they'd provide feedback on Miss O being asked to source the part herself. And as they last attended to complete a repair on 1 July 2024, they'd cancel her policy from that date and issue a refund of £110.40 in respect of the payments made since then. They also said they'd be sending Miss O £110 compensation as their engineer didn't offer to leave heaters at her home.

Unhappy with the compensation British Gas had offered Miss O complained to our service.

Miss O contacted us in December 2024 to advise us that British Gas had been in touch to advise her that her case had been reviewed. This had established that she hadn't needed a new boiler as hers could have been repaired, so they were reviewing the compensation she'd been offered. She told us she still wanted us to consider her complaint as they'd been no need for her to take out finance to cover the cost of a new boiler.

British Gas issued a further final response letter on 9 December 2024. In this they acknowledged that on 14 September 2024 Miss O was advised that the part required to repair her BoilerMate cylinder was no longer available/obsolete. And their engineer

recommended her boiler was replaced.

But they said their technical helpdesk had now confirmed that the BoilerMate cylinder could have been replaced in September 2024 and this would have been covered by her policy. They said the cost of replacing the cylinder would have been approximately £1400 to £1600. So they offered Miss O £1600 together with a further £1000 as compensation for the inconvenience and disruption she'd experienced.

Miss O wasn't happy with the further compensation British Gas offered her as it wasn't enough to clear her finance agreement. Which she'd not have required if the necessary repairs had been carried out under her policy.

Our investigator considered the case and was satisfied that British Gas had advised Miss O over the time she'd had her policy with them that certain parts for her boiler were obsolete. And that despite this she'd had successful services carried out until September 2024.

Our investigator said that British Gas were aware of the failings in the service they'd provided to Miss O and she felt the £1,000 compensation they're offered was appropriate given her particular circumstances.

But she said the terms and conditions of Miss O's policy provided for "a replacement boiler if we can't repair it." She said that when Miss O spoke to British Gas after their engineer told her the BoilerMate cylinder was obsolete and she needed a new boiler, she wasn't told they could replace her boiler for her. And had they done Miss O wouldn't have needed to take out finance to cover the cost of a new boiler.

To put things right our investigator said British Gas should put Miss O in the position she'd had been in if they'd given her the correct advice about her policy cover. And as she said this entitled her to a new boiler she said they should either void Miss O's finance agreement or award her the amount required to clear the balance of her finance.

Miss O was happy with our investigator's opinion but British Gas weren't. They said Miss O's policy only provided cover for a replacement boiler in limited circumstances none of which applied to her case. And what she was entitled to under her policy was a replacement cylinder, which they acknowledged Miss O was originally told couldn't be sourced. But on review they'd accepted a cylinder could have been provided, so they'd offered her £1,600 in respect of the cost they'd have incurred in providing this.

They also said Miss O had benefitted from a new central heating system. Something she'd agreed herself she'd have required in the next year or two and something she'd been advised about over a number of years. And while she'd had to replace her central heating system earlier than expected, they'd covered the cost of the cylinder and £1,000 compensation which they felt more than adequately compensated her for the mistakes they'd made.

Our investigator considered the further information British Gas provided but didn't change her opinion that they should compensate Miss O by providing her with the balance of the money required to clear her finance agreement.

She said that had British Gas replaced the cylinder in Miss O's BoilerMate, as they should have done, she wouldn't have required the new boiler she was told she needed. So her opinion remained that British Gas should pay Miss O the amount required to clear her finance agreement.

British Gas didn't agree so the case came to me for a decision. I issued my provisional

decision on 12 June 2025 and in it I said: -

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Miss O complains that British Gas mis-sold her a HomeCare policy covering her boiler and central heating system. She says this as when a fault developed in September 2024 she was told the part needed to repair her system was obsolete.

I don't agree that she was mis-sold her policy. British Gas have told us, and I accept, that production of her boiler stopped in 2001. So in September 2024 her boiler was at least 24 years old. They'd told us that the average lifespan of a boiler is around 15 years. I also accept this, although with regular servicing they can last longer.

Miss O took out her Home Care policy in 2009 when her boiler was at least nine years old. Regular servicing and maintenance has extended the boiler's life beyond the manufacturer's expectation. And from 2018 Miss O was advised at renewal that due to the age of her boiler certain parts might be difficult to source or become obsolete.

Having been given this advice Miss O chose to continue to renew her cover and British Gas carried out successful maintenance and repairs until September 2024. So I'm persuaded there was no mis-sale.

Then in September 2024 Miss O was told British Gas couldn't source a replacement BoilerMate cylinder as the part was obsolete. Miss O was told she could attempt to source the part herself, and if approved, British Gas would arrange for an engineer to fit it. Miss O says this was unreasonable as she has no knowledge of the parts required.

While I can understand why Miss O was concerned about trying to source the part herself, I don't think British Gas did anything wrong by suggesting this, as her policy terms and conditions make provision for her obtaining the part herself, if they can't source it.

British Gas accept that they initially got things wrong when their engineer advised Miss O that the BoilerMate cylinder required to repair her central heating system couldn't be sourced as the part was obsolete.

What I need to consider is whether the £2,600 they've offered her is sufficient compensation for the mistake they made.

Miss O says it isn't as she's left having to pay a finance agreement to cover the cost of a new boiler which she wouldn't have needed if British Gas had just replaced her BoilerMate cylinder.

British Gas say it is, as her boiler was old and although with regular maintenance and servicing under her HomeCare agreement it had lasted much longer than expected, it was inevitable it would have required replacement in the next few years. Which is something they say Miss O herself has acknowledged.

British Gas also say that when replacing her boiler Miss O opted for a combination system which is a more expensive installation as it involves the removal of tanks/cylinders which aren't required with a combi system. And in addition she'd included a Hive Thermostat, a 'tailored extra' at an additional cost.

Looking at the terms and conditions of Miss O's HomeCare policy, due to the age of her boiler she wasn't entitled to a replacement if it couldn't be repaired. This would only have

been the case if the boiler was under seven years old, or between seven and 10 years old, had been installed by British Gas and covered continuously under warranty or a HomeCare product.

What she was entitled to was a repair of her central heating system, the replacement of her BoilerMate cylinder, which didn't happen.

So I need to consider if the compensation British Gas have paid Miss O enough?

She's told us she was without heating for three weeks until her new boiler was installed and that due to a medical condition she needs her house to be warm. She now has a new boiler which based on the information provided by British Gas is an upgrade on her old one. Given the age of her old boiler, although I acknowledge that until September 2024 it had been kept working with regular maintenance under Miss O's HomeCare policy, I'm persuaded that it would have required replacement in the next few years.

And while I understand that Miss O was required to fund the cost of a new boiler sooner than she expected I don't think it's appropriate for me to require British Gas to cover the cost of her new boiler, as this cost isn't covered by her policy.

British Gas have paid her £1,600 to cover the estimated cost of supplying and fitting a replacement BoilerMate cylinder, which was covered by her policy. Which I think is reasonable. They've paid £1,000 in compensation which I'm persuaded acknowledges the distress and inconvenience she's experienced as a result of their mistake. And together these sums give her a substantial payment towards the cost of her new boiler. So I'm not going to ask them to do any more.

So I didn't uphold Miss O's complaint.

British Gas have indicated that they accept my provisional decision but Miss O has said that she doesn't.

Miss O has said that British Gas have admitted they got things wrong, but they only did this and offered her compensation after she'd referred her complaint to our service. And she says that as she wasn't told they could have replaced her BoilerMate cylinder they should provide her with the cover provided for by her policy, which she believes is a full boiler replacement.

She says that my findings contradict British Gas's acceptance that the handling of her claim had been incorrect and appear to accept that a breach of contract is acceptable without adequate remedy.

She also says that expecting her to source the part British Gas said was obsolete would have risked invalidating her cover with them. And expecting a customer to independently source a critical boiler component without guidance or support is unreasonable.

And she believes I haven't reviewed the evidence she's provided in full.

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 understand Miss O has very strong views about what she feels British Gas should do to resolve her complaint.

I'm aware that they accepted and apologised for getting things wrong. And that they only made a further settlement offer to Miss O after she'd referred her complaint to our service. Had they not reviewed her case it would have been considered by us on the basis of the initial final response letter Miss O received.

But her case was reviewed by British Gas, so I have to consider whether their further offer was fair taking into account all the evidence including the terms and conditions of Miss O's policy. I've considered Miss O's further comments and all the evidence both parties had previously provided.

British Gas have accepted that they could have sourced the replacement part for her BoilerMate cylinder, so this could have been repaired. This repair is what she was covered for under the terms and conditions of her policy. Due to the age of her boiler her policy didn't cover the cost of a replacement.

I appreciate that Miss O arranged to replace her boiler as British Gas told her it couldn't be repaired. But I haven't changed my view that the £2,600 British Gas paid Miss O was appropriate compensation for the mistake they made. While Miss O had to take out finance to cover the cost of her new boiler, I think on balance she would have needed to do this shortly, given that the boiler was at least 24 years old. And in these circumstances it's not reasonable to ask British Gas to cover the cost of her replacement boiler.

I've acknowledged that I can understand why Miss O wouldn't have felt able to source the required part to repair her central heating system. But as her policy makes provision for a customer to source a part British Gas say is obsolete, and says this would only be fitted if approved by them, I can't say they did anything wrong in offering this option to Miss O.

My opinion in this case remains that the £2,600 compensation British Gas paid to Miss O was fair and reasonable compensation for the mistakes they made. So I'm not asking them to do anything further.

My final decision

For the reasons set out above my final decision is that I don't uphold Miss O's complaint about British Gas Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 28 July 2025.

Patricia O'Leary
Ombudsman