

The complaint

Mr P has complained about the service he received from British Gas Insurance Limited when he made a claim under a HomeCare insurance policy.

What happened

Mr P took out a home emergency policy underwritten by British Gas for a rental property he owns. The product covered repairs to the boiler and central heating system together with an annual boiler service. The policy renewed automatically on 7 September 2024.

In October 2024 Mr P contacted British Gas as his tenant had notified him about a fault with the boiler. British Gas sent an engineer who said he wasn't able to get the necessary replacement part for the repair as that type of boiler was no longer serviced by British Gas. Mr P's letting agent arranged for someone else to repair the fault. British Gas offered to refund the cost of the repair.

Mr P thought that British Gas was liable under the terms of the policy to replace the boiler as it was under seven years old and its engineer couldn't repair the fault. British Gas said it wasn't required to do this as the boiler wasn't beyond repair.

British Gas told Mr P it was cancelling his policy and refunding the premiums for the policy year 2024/2025 as it couldn't get parts for his boiler anymore. Mr P thought British Gas should also refund the premiums he'd paid for the 2023/2024 policy year as he'd been told British Gas couldn't have repaired his boiler from September 2023.

Mr P brought his complaint to this service. Our Investigator didn't recommend that it be upheld. She thought British Gas had made a fair offer of settlement.

As Mr P didn't agree, the matter has been referred 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.

My role is to decide whether British Gas has treated Mr P fairly. Having carefully considered the evidence, I think it did. I'll explain why.

Mr P's policy recognised that there might be situations where British Gas might not be able to get hold of replacement parts. It said in that situation it might need to cancel the policy. British Gas explained that in Mr P's case since the beginning of 2024 it no longer had a professional relationship with the manufacturer of Mr P's boiler. I agree it was entitled to cancel the policy in those circumstances. I think it treated Mr P fairly by refunding the premiums he had paid for the policy year 2024/2025.

At some point in the previous policy year which started on 7 September 2023 British Gas would no longer have been able to get parts for Mr P's boiler. It's a shame that British Gas didn't tell Mr P that when it serviced his boiler in May 2024. But Mr P still had the benefit of an annual service and some cover for other parts of the central heating system. So I don't think it would be fair to require British Gas to refund the premiums for that policy year.

The policy covers a replacement 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 HomeCare product."*

Mr P's boiler was under seven years old. However, according to British Gas, the boiler was still able to be used when its engineer left. The invoice from the engineer used by Mr P describes the repair as:

"replace radio frequency programmable room stat" and "install co alarm in boiler vicinity".

That work having been done, the boiler was fully operational again and British Gas has offered to refund the cost of the repair. So I think it would be disproportionate to require British Gas to replace the boiler in these circumstances.

I'm sorry to disappoint Mr P but I'm not persuaded that British Gas has treated him unfairly.

My final decision

British Gas Insurance Limited has already put forward a settlement that I think is fair and so I won't be asking it to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 27 August 2025.

Elizabeth Grant
Ombudsman