

## The complaint

X has complained about charges raised by British Gas Insurance Limited (British Gas'). For the avoidance of doubt, the term 'British Gas' includes reference to its agents and contractors for the purposes of this decision.

## What happened

X took out a home emergency insurance policy with British Gas in February 2025, with whom he'd had a previous policy. British Gas conducted a *'first visit'* on 24 March 2025 and the boiler didn't pass the required tests. Unfortunately, X experienced issues in relation to his boiler and an engineer attended on 3 April 2025. X said that the engineer advised him that he wasn't covered for the repair works as he'd been advised during his previous policy that a power flush was required. X had used an independent company to carry out a power flush however, and he complained that, having completed the repair, the engineer said on leaving that he would ask British Gas to charge X for the repair work and X received an invoice for £335 which was payable immediately.

X was unhappy with this and raised a complaint and British Gas issued a final response letter in May 2025. It confirmed that the *'first visit'* failed due to the presence of sludge in the system, that he was offered a one-time repair, and that X accepted this. British Gas said that, because they'd previously notified X a power flush was required, breakdowns caused by sludge in the system wouldn't be covered. British Gas also explained that as this was now a new policy, a *'first visit'* was required under the terms of the policy, and no faults would be covered under the policy until the system had passed inspection under this visit.

X was unhappy with the outcome of his complaint, and he therefore referred it to this service. The relevant investigator partly upheld X's complaint. Whilst it was her view that the policy did exclude any work carried out in circumstances where the boiler hadn't passed the *'first visit'* inspection, it hadn't communicated the position clearly to X and she recommended that British Gas pay him compensation of £100 for this communication issue.

British Gas didn't agree with the investigator's view and the matter has been referred to me to make a final decision in my role as Ombudsman

## 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.

The key issue for me to determine is whether British Gas applied the terms and conditions of the relevant policy and generally communicated with X in a fair and reasonable manner. Whilst I'm satisfied that British Gas applied the policy provisions fairly and reasonably, I can't say that its communications were adequate. I therefore partly uphold X's complaint. I'll explain the reasons for this decision below.

In reaching this decision, I've carefully considered the submissions of the parties as summarised below. Turning firstly to X's submissions, he said that his previous policy with

British Gas had been running since 2015. He cancelled that policy as he'd been hoping to sell his property, but the sale fell through and so he started a new policy. X then had problems with his boiler, and the heating was insufficient and so he called British Gas.

The engineer who attended at X's home in April 2025 told X that he was no longer covered because in the previous contract, he was advised to power flush the system, and X had used a cheaper independent power flush company instead of the British Gas and the company provided a warranty in respect of the work. X said that he hadn't been advised that failure to use British Gas engineer would invalidate his contract. The engineer then informed X that he would do the work as a '*one off*' as he was no longer covered by British Gas because of his use of another company for the power flush.

X said that the engineer nevertheless fixed the problem, and on his way out, told X that he would advise British Gas to charge him for the job. British Gas then sent an invoice for £335 for immediate payment. In summary, X was adamant that British Gas informed him that if he used another company for the power flush, then it would invalidate his contract with British Gas. X said that he'd taken out the policy to avoid paying such unplanned expenses.

X said that in a phone call with British Gas in June 2025, its call-handler spoke to the engineer and the reasons he gave as to why X wasn't covered were that the power flush hadn't been done properly, but also that the boiler was installed in the bathroom. This was despite the fact that the boiler had been in the bathroom for 12 years and that X had a British Gas policy in place during this time. The call handler advised X to telephone the cancellation team so that he could be refunded for the boiler aspect at around £30 per month.

In conclusion, X didn't think that British Gas had treated him in a fair and reasonable manner. He felt that he should be able to use any certified company for a recommended power flush, and he shouldn't have to use British Gas for this '*with such an exorbitant price*'. He also felt that British Gas had unfairly linked the matter with his previous contract in terms of the power-flush recommendation. X wanted British Gas to cancel the invoice for which he'd received demands, and to apologise for the distress it had caused him.

I now turn to the British Gas response to X's complaint. It said that it had advised X in November 2024 that a power flush was needed. It said that X informed British Gas that he had a third party to do so and he then ended the policy in December 2024. The new policy started in February 2025, but it said that '*the first visit...failed due to sludge still being present in the system*'. It said that a one-time repair was offered, which was accepted. When X then called to enquire why the repair hadn't been covered under the new policy, British Gas explained that since it had previously advised a power flush was necessary, breakdowns caused by sludge in the system wouldn't be covered. Additionally, faults wouldn't be covered until a boiler passed the '*first visit*' under a new contract. It concluded that the work wasn't covered under the policy and was therefore chargeable.

British Gas later responded to the service's investigator by stating that evidence of a power flush carried out by X's independent contractor would allow any faults related to sludge to be covered under the policy, provided they were otherwise covered under the terms and conditions of the policy. It said that during the first visit in March 2025 the system was still heavily '*sludged*' and they considered that '*This of course will continue to damage components in the boiler*'. British Gas said that it had asked to see a copy of the third-party's evidence in relation to the power flush, but unfortunately it hadn't received this at the relevant time and as such, the system failed, and British Gas was unable to take the system onto contract.

As for the visit of 3 April 2025, British Gas stated that its engineer wouldn't carry out any on-demand work without agreement from the customer, and it also said that X was aware by

this time that he had no policy in place so that the repair wouldn't be carried out under the policy. It said that this was clearly the case as X allowed the engineer access and the repair was completed. It also provided a note which it said was inputted by the engineer while on site. This stated, '*readvised boiler/system has failed inspection, and either powerflush had not been done or very poor from 3<sup>rd</sup> party, advised charges apply for requested work to change pump*'. British Gas considered that it was clear that its engineer made X aware of the charges for the pump, prior to completing the repair.

I now turn to the reasons for my final decision to partly uphold Mr O's complaint and award a modest amount of compensation in this respect. The starting point for decisions of this nature will be the terms and conditions of the relevant policy. In this case, the policy makes it clear with regard to '*boiler and controls*', that the policy doesn't cover '*Damage caused by limescale, sludge or other debris, if we've told you before that you need to carry out repairs, improvements or a British Gas Powerflush, or a similar process, but you haven't done so*'

The policy also defines a '*first service*' under the policy as being: '*A service and check to confirm whether we can cover your boiler and controls or central heating*'. Finally, under the general conditions section of the policy, this states; '*At the first service our engineer will check that your... boiler or central heating, and ventilation don't have any pre-existing faults. If we find...it has a pre-existing fault, we'll either: tell you what needs to be done to fix it – and how much it'll cost; offer you a different product or level of cover; or cancel your boiler and controls and/or central heating products*'.

I note that X had a new policy in place from February 2025. I'm satisfied that the wording of this policy clearly sets out that British Gas would take responsibility for checking for and identifying any pre-existing issues during the '*first visit*'. If any issues were identified, then British Gas wouldn't cover the cost of fixing the issues. The engineer's report from the visit of 3 April 2025 records that the boiler had failed the inspection and he noted that the system was heavily '*sludged*', that a power flush had either not been done or had been done very poorly by a third party. As such British Gas said that the boiler wasn't to the manufacturer's specification and not acceptable for British Gas cover. The engineer's report is also clear that, at some point in his visit, he advised X that charges would apply for works carried out and that the engineer had changed the pump as per X's request.

Having carefully considered the notes recorded by the relevant expert engineer at the time of the visit, I can see no evidence that the engineer incorrectly determined that the boiler remained heavily '*sludged*'. Nevertheless, this is odd if the date of the third-party power flush certificate is correct as this apparently happened just the day before. I'm also persuaded that British Gas acted reasonably and in line with its policy terms and conditions in charging X for the works which took place. I can understand why X will have found it frustrating to hear that the system was heavily sludged. Nevertheless, I can't say that the British Gas engineer acted in an unfair or unreasonable manner in providing X with his expert opinion.

There is some confusion regarding the communications between the parties between the 24 March and 3 April 2025, however. There is for instance conflicting evidence as to whether X agreed the charges for the pump replacement in advance of the engineer carrying out the work and there is no signed or other document to confirm this. British Gas states that engineers won't carry out any on-demand work without agreement from the consumer. Whilst the engineer's note refers to the charge that may apply, the note doesn't specify whether this was at the beginning or the end of the visit. X is equally adamant that the question of charges wasn't raised by the engineer until he was leaving, (although, as above, the policy wording does clearly explain that charges would apply where a boiler has failed the '*first visit*'). On balance, I'm persuaded that X was taken by surprise by this at the end of the visit and I've no reason to doubt that X's recollection was correct as regards the engineer telling him that repairs to the pump works weren't covered as he hadn't arranged the power

flush directly through British Gas. This was clearly incorrect advice, as British Gas has since confirmed that a successful third-party power flush would allow cover to remain in place.

In all the circumstances, I agree with the investigator's findings in this case that British Gas had failed to adequately manage X's expectations. There's no documentary evidence to confirm that X was told at the *'first visit'* that the boiler had failed, the advice given on 3 April was incorrect, as above, and the evidence is inconclusive as to when X was indeed informed that charges would apply due to the failed *'first visit'* in the circumstances. In addition, there's no evidence that British Gas informed X following the *'first visit'* that the policy premium for the boiler would cease to apply. I'm therefore persuaded that British Gas did cause some unnecessary confusion and didn't adequately communicate that charges would apply. I'm satisfied that X wasn't expecting to receive an invoice in the circumstances, nor contact to chase payment as he'd assumed, not unreasonably, that the policy to cover repairs.

I'm satisfied that £100 compensation is appropriate for the frustration caused to X by communication from British Gas which wasn't to the expected standard. I note that the British Gas call-handler also indicated that a refund of the boiler element of X's policy would apply and I consider that this was fair. British Gas will no doubt wish to re-visit the invoice of £335 in the light of the compensation awarded and any premium refunds which are due.

### **My final decision**

For the reasons given above, I partly uphold X's complaint, and I require British Gas Insurance Limited to pay £100 compensation in response to his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 6 January 2026.

Claire Jones  
**Ombudsman**