

## **complaint**

Mr M is unhappy that British Gas Insurance Limited ("British Gas") is applying a cap on what it will pay out under his home emergency policy.

## **background**

Mr M has a HomeCare policy with British Gas which includes cover for the boiler and central heating at his tenanted property. British Gas visited the house in 2009 and 2010 and advised Mr M that there was sludge and scale in the central heating system and that he should have a Powerflush of the heating system undertaken. It provided a quote for this which was chargeable separately from Mr M's HomeCare policy. Mr M didn't proceed with the Powerflush.

In October 2015, Mr M called British Gas to investigate when his tenants reported that some of the radiators in the house were not heating up. British Gas reiterated that there were circulation problems with the heating system and recommended a Powerflush. It quoted £790 to do this. Mr M didn't proceed.

In May 2016 Mr M called British Gas again because some of the radiators still failed to heat. The engineer again recommended that Mr M had a Powerflush and Mr M agreed. The Powerflush was undertaken in September 2016. Unfortunately, all the radiators still didn't heat up and a British Gas engineer attended in January 2017 and left a chemical solution to circulate through the system before undertaking a reflush in February 2017. These measures still didn't resolve the issue.

Mr M sought a second opinion from a plumbing company. They said that the radiator valves may need replacing or there may be some form of flow restriction preventing two of the radiators from heating up. It recommended carrying out further tests to investigate the problem.

British Gas says it's undertaken all the tests which are needed and that there are only two options available to Mr M to resolve the problem with his central heating. One is to replace the boiler; the other is to locate the blockage by removing the hardwood and ceramic flooring and cutting the piping, possibly in various places. British Gas says it's possible the blockage is due to the heat exchanger in the boiler but that it cannot test this as the part is now obsolete because the boiler ceased production in 1999.

Mr M says that British Gas is liable for the total cost of making good the damage caused by accessing the pipes under his policy. He also says that British Gas told him he wouldn't be charged for any additional work if the Powerflush was unsuccessful and so it should honour this.

British Gas previously argued that Mr M's claim isn't covered by the policy because he didn't pay for the Powerflush. It says it failed to send him an invoice for the work. It also said that claims related to sludge aren't covered by the policy. However, it has since said that Mr M can make a claim for up to £1,000 under the policy for access and making good any damage caused by investigating the blockage. It says that once this limit has been reached, it won't pay out any more.

British Gas has tried to resolve this complaint by offering to waive the cost of the Powerflush and pay Mr M £220 as compensation for being told by one of its agents that the Powerflush

was guaranteed to clear the blockage. Mr M didn't accept this.

An investigator here upheld the complaint and said that Mr M was entitled to have the blockage investigated because British Gas offers further repairs to its customers if a Powerflush is unsuccessful. She said that just because British Gas omitted to charge Mr M for the Powerflush it doesn't mean that Mr M cannot benefit from the protection afforded to customers who have this service undertaken.

### **my provisional findings**

After considering all the evidence, I issued a provisional decision on this complaint on 17 September 2018. I said:

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not planning to uphold this complaint and I'll explain why.*

*It seems to me that the issue I need to decide is if British Gas has carried out a proper investigation into the fault with the heating system, and if so, whether the options it's now given to Mr M are reasonable and consistent with what he's entitled to under his policy.*

*Mr M queried whether all possible avenues and tests have been exhausted. The third party report suggests that further tests could be undertaken but doesn't specify what these tests are. Often a water test is undertaken - where the clarity of the water is checked - if there are issues with heat circulation. British Gas says that a water test wasn't completed because when the water was drained from the system, it was apparent that the water was black and full of scale and debris. British Gas adds that the location where Mr M lives is a proven hard water area and so the finding of scale was unsurprising. It also says it's completed several Powerflushes which hasn't improved the system and it cannot test or replace the heat exchanger due to it being obsolete.*

*For these reasons, it says the options available to Mr M are to replace the boiler or to try and identify the blockage in the pipework. It's possible that Mr M could replace the boiler and this won't resolve the heating circulation issues but British Gas says there's no way of knowing which course of action will be successful unless one of them is attempted. It says that an area manager has visited Mr M's house to inspect the heating system and has been consulted throughout on what options are available to resolve Mr M's issue with the heating system – and these are the last two available options open to him.*

*It is unfortunate that the heat exchanger for Mr M's boiler is now obsolete and so this cannot be tested and used to rule out a blockage in the pipework. But I cannot hold British Gas responsible for this.*

*Based on British Gas' investigations into the problem and the evidence it's provided, I'm satisfied that it's carried out a reasonable investigation into the fault with the heating system. I've then considered whether the options British Gas has given to Mr M are fair and consistent with what he's entitled to under the policy.*

*The terms of the policy say that the following isn't covered:*

*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*

*British Gas says its records show there was sludge and scale in Mr M's heating system since 2009 and that it provided quotes for a Powerflush in 2009, 2015 and 2016. Because of this Mr M wouldn't ordinarily be covered for blockages caused by sludge and scale. However, because Mr M has had a Powerflush British Gas says it would usually complete further repairs if a Powerflush is unsuccessful - which is why it's prepared to cover the first £1,000 to access and make good the damage caused in locating the blockage.*

*It seems to me that the options provided by British Gas are fair in the circumstances. Either way, there's a risk for Mr M that if the circulation problems persist after he replaces the boiler, this will indicate that there's a blockage with the pipes. If the pipes are cut in various places, the cost to repair and make good will likely exceed £1,000 and if a blockage isn't identified, he may then need to also pay for a new boiler. It's also possible that both may need to be done and I can understand Mr M's reservations about the potential cost of this work. But I'm satisfied that British Gas has undertaken a reasonable investigation and proposed fair options to Mr M in the circumstances.*

*British Gas has offered £220 as compensation to Mr M and it's waived the cost of the Powerflush. It's also now prepared to allow Mr M to make a claim under his policy for up to £1,000. Taking everything into account, I think this offer is reasonable and I'm not minded to award anything more.*

### **comments from Mr M and British Gas on the provisional decision**

British Gas reiterated its position that Mr M can make a claim up to £1,000 under the policy to gain access to the pipework and make good any damage but that once this limit had been reached, it would be for Mr M to bear any remaining costs.

Mr M said:

- British Gas promised to pay him 50% towards the cost of an independent inspection
- British Gas hasn't told him specifically what the fault is otherwise he'd have paid to have it fixed and he doesn't accept that British Gas has exhausted all possible options to identify the cause of the faulty heating at the property
- He hasn't been provided with evidence of sludge in 2009

I've not seen any evidence that British Gas agreed to pay 50% towards the cost of an independent inspection. British Gas says it's willing to contribute £80 towards this.

I agree that British Gas hasn't told Mr M specifically what the cause of the poor circulation is but as I set out in my provisional decision, I'm persuaded that this is because it doesn't know the cause. However, I am satisfied from the evidence I've seen that it's undertaken a reasonable investigation into the fault with the heating system.

Our investigator sent Mr M a copy of British Gas' work history at the property. This shows that an engineer attended in November 2009. The notes say that circulation in the system was "poor" with "poss scale" and that Mr M was given a quote to flush the system.

### **my findings**

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

I've not seen anything from either party that makes me depart from my findings in the provisional decision.

**my final decision**

My final decision is that I don't uphold this complaint and I consider the offer made by British Gas Insurance Limited to be fair and reasonable.

To settle the complaint, British Gas Insurance Limited should:

- pay Mr M £220 compensation;
- waive the cost of the Powerflush; and
- deal with Mr M's claim for accessing and making good the damage to the pipework up to the policy limit of £1,000.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 31 January 2019.

Reena Anand  
**ombudsman**