

## **complaint**

Ms A complains about how British Gas Insurance Limited (BG) dealt with her heating system fault under her home care insurance policy. She's also unhappy with how BG dealt with her complaint.

Ms A will see that this decision is about a different part of British Gas' business to the one mentioned in the investigator's opinion letter. BG is the insurer and the correct business for the decision to be about. BG hasn't objected to the change in business. The change hasn't made a difference to the outcome of my decision.

## **background**

In mid November 2016 Ms A contacted BG as she had a fault with her central heating system. BG's engineers visited Ms A's property about 11 times to try to find the fault but failed to fix the problem. Ms A says an independent engineer found the fault within one short visit. She had a new boiler fitted by a third party. She says she then experienced various problems in trying to complain to BG.

BG accepted it had provided poor service in not identifying the fault and Ms A had problems in logging her complaint. It offered to refund Ms A the part of her policy premium which related to the boiler cover (£240).

Ms A didn't accept BG's offer and complained to us. She wants BG to pay half the cost of her new boiler (about £1,700). In summary the main points of her complaint are:

- she's a single working parent and as BG constantly failed to find the fault she had to take a lot of unnecessary time off work to attend all of the engineer's visits
- her elderly mother lives with her and has arthritis. She says she had to almost beg for prompt visits, and each time had to explain about her mother's health to get anyone to take quicker action
- during the course of the investigations the boiler pressure loss got more severe and she had to top up the pressure up to five times a day. This was during a very cold period and sometimes she had to come home from work once or twice a day to do that to keep her mother warm
- two of BG's engineers told her she'd probably have to chip out walls and lift floors to find the leak and most of those costs wouldn't be covered under her policy. That caused her a lot of anxiety. The problems were leading up to and over Christmas and New Year and the stress and worry ruined her and her family's Christmas. Her mother couldn't sleep with worry. When the independent engineer found the fault none of the work she'd been warned about was necessary
- BG's engineer couldn't get the approved bolts to fix the replacement part to the boiler as they were obsolete. The bolts were available but as they weren't by the approved maker he wouldn't fit the part and said he wouldn't use the old bolts as these could easily break when removed. If he'd used the old bolts or other bolts she wouldn't have had to have a new boiler
- when BG's salesman visited to quote for a new boiler he couldn't offer the replacement model she wanted. Once he knew she had a new boiler installed he said he could have probably got the model she wanted

- on 21 January she called to register a complaint and was told she'd be called back early the next week. By the 28 January she'd not had a call back so tried to submit her complaint on-line but the system wouldn't accept the text she put in. She called the complaint team again and was told her complaint of 21 January had been closed. She was put on hold for 22 minutes while BG's staff member tried to find someone to speak to her about the complaint and she had to hang up.

Our investigator explained that Ms A's complaint about the information she was given about a new boiler was about a part of British Gas' business that doesn't fall under our remit. So we couldn't look into that issue. Looking at the other issues the investigator thought BG should pay £150 compensation for Ms A's distress and inconvenience in addition to its offer of £240. The investigator also clarified that as Ms A's original boiler was over 10 years old and not installed by BG, under the terms of the policy BG didn't need to pay for a replacement boiler if the original couldn't be repaired.

Both parties wanted an ombudsman's decision. BG didn't agree it should pay any more compensation. It said although Ms A's 21 January complaint was closed down incorrectly, that hadn't caused her any further detriment as when she complained again it was picked up quickly and BG had eight weeks to investigate a complaint. Ms A didn't think £150 additional compensation reflected the time she had to take off work and all the stress, worry and frustration BG caused her.

### **my provisional findings**

I made a provisional decision explaining why I was intending to partly uphold this complaint. I thought BG didn't need to pay Ms A any money towards the cost of her new boiler. But BG's offer wasn't enough to compensate Ms A and I didn't think an additional £150 was enough either. I was intending to require BG to pay Ms A £300 compensation in addition to its offer of £240 premium refund. I said:

'The policy says BG will give Ms A a replacement boiler if it can't repair the original boiler and either the original is less than seven years old, or it's between seven and ten years old and BG installed it. Ms A says she's only owned the property for two years and doesn't know who installed the boiler. BG's records say the boiler was installed in 2007, so 10 years old, but not installed by BG. Its records also say that at the boiler's first service for Ms A it realised the boiler had 'previously been on cover' so it may have got the information from the previous owner. Without any evidence to support that the boiler should be replaced under the policy criteria there is no cover for a replacement under the policy.

I don't think Ms A had to buy a boiler only because of BG's failure to identify the fault within a reasonable time. And I don't think BG acted unreasonably in refusing to use non-approved bolts to do a repair. In response to her complaint it said using the correct approved bolts was 'safety critical'. So overall there's no reason for me to say that BG must pay a contribution towards the cost of Ms A's new boiler.

BG provided very poor service to Ms A, particularly in failing to find the cause of the fault until after multiple visits. BG's offer of £240 is a refund of the premium which related to the boiler cover. It's reasonable for B to refund that amount as when Ms A made a claim it failed to help her. The policy runs from October to October so I accept Ms A may have got the benefit of cover after her new boiler was put in. But she also had the expense of having to pay for an independent engineer to find the fault which BG should have fixed. I don't have any information about what the independent engineer cost. But I think it's more likely than not that the cost of any benefit she received from the remaining policy period is around the amount of the additional cost she had.

I think it's fair that BG pay compensation in addition to its offer. Ms A's told us how BG's very poor service had a considerable impact on her both practically and emotionally, as I've detailed above. I can't give any compensation for the unfortunate unnecessary stress and worry BG caused her mother as she isn't the policyholder, but of course that impacted on Ms A. And although BG does have eight weeks to investigate a complaint Ms A having to phone to complain again and being told that her original complaint was closed only added to the frustration about the poor customer care and service she's received from BG. I think £300 compensation is a fair amount in Ms A's circumstances, in addition to the premium refund.

When Ms A complained to us she mentioned she was worried about the possible effect of her claim on her future premium cost. By now she will have paid the premium for the next policy year and I don't know if that's a matter she wants us to look into. If so Ms A will need to make a separate complaint about that matter'.

### **responses to my provisional decision**

BG got my provisional decision but didn't make any comment. Ms A raised some additional points. In summary: BG had only just sent her referral rights to this service; BG's engineer refused to do an annual serve under the current policy as she had a new boiler; BG hasn't responded to her concerns about that and she's going to have to pay a private engineer to do a service to ensure her warranty isn't invalid; her premiums on the current policy increased by over 20% and she suspects that's due to BG's 'fruitless visits' in the last policy year; she wants the premiums for this year's policy refunded.

### **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 appreciate Ms A feels that the new issues she'd raised, as she says, 'add salt to the wound' about the service she's received from BG. But if Ms A wants to pursue those new issues she's going to have to complain to BG about those matters first and ultimately she can complain to us if agreement can't be reached.

Neither party has made any comment on my proposed awards for the issues I considered in my provisional decision so I've no reason to change my mind. For the reasons given in my provisional findings and these findings I partly uphold this complaint. BG must pay Ms A £300 compensation for her distress and inconvenience and refund the £240 premium it's already offered.

**my final decision**

I partly uphold this complaint.

I require British Gas Insurance Limited to pay Ms A:

- the £240 premium refund it's already offered, and
- £300 compensation for her distress and inconvenience.

British Gas Insurance Limited must pay the above within 28 days of us telling it that Ms A accepts my final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 5 January 2018.

Nicola Sisk  
**ombudsman**