

complaint

Mrs P's complaint is about her home emergency insurance policy with British Gas Insurance Limited.

background

I issued a provisional decision on this matter in May 2018, the main part of which is copied below:

"Mrs P held the insurance policy with British Gas for around eight years. Her boiler has been serviced as part of that agreement each year since the policy began. At the most recent boiler service, she was told that a grommet seal was missing from her boiler, which meant it was categorised as 'at risk' and shouldn't be used until this was fixed. The engineer apparently told Mrs P that the grommet was probably never put in place. I understand the grommet seal was replaced the following day.

Mrs P was unhappy that this had not been spotted earlier and wants all premiums paid since first taking the policy in 2010, to be refunded.

British Gas said it couldn't be sure when this seal was removed, or indeed whether it had ever been there. It did tell Mrs P that it would not have been dangerous to her, due to the way the boiler is designed. So while it was 'at risk' and the seal should have been in place, it was not 'immediately dangerous'. It therefore offered to refund her £30 for each boiler service and £30 for the additional visit required to replace the grommet – a total of £240.

One of our investigators looked into the matter. He noted that the service record from 2015 says the seals were present and that the policy provides cover for the entire central heating system, not just the boiler. He recommended British Gas refund the premiums from 2015, together with interest, for the boiler and controls part of her policy. The investigator also thought that British Gas had caused some avoidable stress and anxiety to Mrs P by suggesting the boiler had been unsafe to use for the past eight years. He therefore suggested it also pay her £150 compensation for this.

Mrs P doesn't accept the investigator's assessment and so the matter has been passed to me. Mrs P says she doesn't accept that the grommet in question was in place at the point the boiler service history suggests.

my provisional findings

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

There is no convincing evidence about when the grommet was missing. It is mentioned as being present in 2015. I don't really have any reason to doubt that. I note Mrs P doesn't accept this but there is no independent evidence to contradict that. It would also seem likely that the grommet was either not put back at all or not put back properly by British Gas during one of the service visits, or when work was done in 2015 or February 2017.

While I can understand Mrs P's concern about the safety of the boiler, it seems it was functioning safely throughout and the seal was fitted the day after it was noticed it was missing. British Gas has also said that it would not have posed an imminent risk to Mrs P

and I've seen no evidence to suggest this is not correct. Taking all this into account, I consider that the compensation offered by British Gas, of £240, is therefore not unreasonable.

The investigator recommended that British Gas also refund that part of the premium that was for the boiler and controls since 2015, as he thinks this is when the grommet was not replaced. I don't agree that this is appropriate. In any event, it is not possible to take a policy that is just for the rest of the heating system and not for the boiler and controls. British Gas was providing the cover in exchange for the premiums Mrs P paid and the boiler was working. I don't therefore consider that British Gas needs to refund any of the premiums.

The investigator also recommended a further £150 compensation but again I'm satisfied that the sum of £240 already paid, is reasonable and reflects the distress and inconvenience caused to Mrs P, of finding out a seal was missing; waiting a day for it to be fitted and the worry about the possibility of the boiler having been unsafe. This figure is in line with awards made in similar cases.

I know that Mrs P will be disappointed with this decision, having already received a recommendation from the investigator that the complaint should be upheld. However, both parties are entitled to appeal to an ombudsman – the final stage in our process – and it is my role to review the matter afresh and make my own decision as to the appropriate outcome.

my provisional decision

I don't intend to uphold this complaint against British Gas Insurance Limited."

responses to my provisional decision

I invited both parties to respond to my provisional decision with any further evidence or information they want considered.

British Gas has not responded.

Mr P has responded on Mrs P's behalf. She does not accept my provisional decision. Mr P says that three experts employed by British Gas told them that the grommet was likely to have been missing since the boiler was installed, which was before the cover with British Gas started. British Gas should therefore have noticed this when it first inspected the boiler. While they were assured it was unlikely to have caused harm to them, this wasn't certain and the boiler was condemned as "*officially dangerous*".

British Gas needs to prove the grommet was in place at each service visit. The premium she has paid each year has been of no value and that is not fair.

"I would like to know if this issue (with this particular part of this system) has since made it into British Gas boiler engineer training. I got the impression from British Gas that it would, and so to ensure this 'error' on this boiler type would not be repeated. If that has happened and engineers were notified to look out for it; then it's certain British Gas has recognised the problem may exist across its customer base."

my findings

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

As stated in my provisional decision, there is no convincing evidence about when the grommet went missing. I note Mrs P says she was told that it was likely the grommet had never been fitted. However, it is mentioned as being present in 2015. Of course, I can't be certain but there is no persuasive evidence that would give me cause to doubt that.

Mrs P says that the premiums she has paid have been of no value, as they were paid for British Gas to keep her and her family safe. However the premiums were for insurance – to cover the cost of any breakdowns or faults with the central heating system as well as the annual service of the boiler. That cover was provided, any breakdowns would have been dealt with under the terms of the policy in that period. Mrs P did therefore have the benefit of the cover she was paying for (even if no claims were made in this time). The boiler was apparently functioning safely throughout and the grommet was fitted the day after it was noticed that it was missing.

I'm not therefore persuaded that it is appropriate to ask British Gas to refund the premiums paid. I remain of the opinion that the amount already offered – which is made up of £30 for each annual service carried out since 2010 plus an additional £30 – is appropriate to reflect the trouble caused by this matter.

my final decision

I don't uphold this complaint against British Gas Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 7 July 2018.

Harriet McCarthy
ombudsman