

## **complaint**

Mrs P complains that British Gas Insurance Limited didn't replace her water heater under her home care insurance.

## **background**

Mrs P's water heater passed its annual service checks by British Gas. But a few days later she noticed a leak from the water heater. British Gas looked into the problem and found that water was leaking from the heat exchanger. It tried to order a replacement heat exchanger to do a repair but found out the part was no longer available. This meant the water heater couldn't be repaired.

Mrs P wanted British Gas to replace the water heater under the insurance. It refused and said replacement wasn't covered by the policy.

Mrs P complained to us. She wanted British Gas to pay her the amount it cost her to replace the water heater. She also wanted compensation for the days she was without hot water and the stress it had caused her.

The adjudicator thought British Gas had done nothing wrong. The policy only covered replacement of a water heater if it had been damaged by fire or it had exploded meaning that it couldn't be repaired.

Mrs P asked for an ombudsman to decide her complaint. She doesn't think it's clear in the policy that replacements aren't covered.

## **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'm sorry to disappoint Mrs P but I think British Gas did act fairly in not replacing the water heater under the policy. I'll explain why.

The gas appliance section of the policy applies to Mrs P's water heater and the policy is clear about that. The policy is also clear about when the insurance will cover replacement of the water heater (section 8.5). The policy will cover:

*"Replacing the appliance no matter how old it is (as long as you have given us access each time we needed to carry out an Annual Service), if there is damage to the gas appliance caused by a malfunction resulting in fire or explosion of the gas appliance itself, which means it cannot be repaired".*

Mrs P's water heater wasn't damaged by fire or an explosion. It couldn't be repaired because a part that was leaking couldn't be replaced. So British Gas acted fairly when it said that the policy didn't cover replacement of her water heater.

There's also a general exclusion in the policy (section 7.8) which says that replacing appliances isn't covered unless British Gas says it's included in the agreement. British Gas only referred to that exclusion in its final response letter to Mrs P's complaint. I do think it would have been easier for Mrs P to understand its refusal if British Gas had straight away

explained the limited circumstances in which the water heater would be replaced. Having said that, it's clear in the policy.

Mrs P says that she noticed the leak in the water heater only after it had been serviced by British Gas. She suggests the fault may have been caused by the engineer who serviced the water heater.

The evidence from British Gas is that as there was corrosion on the electrical unit below caused by the leak this indicated it was an intermittent leak that had been there for some time. Mrs P doesn't think that's correct. But I've seen no evidence to show that the leak was likely to have been caused by the engineer's work. So I can't say the leak was caused by faulty workmanship which could be covered under the policy.

### **my final decision**

I don't uphold Mrs P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 8 February 2016.

Nicola Sisk  
**ombudsman**