

complaint

Mr M complains about the service he received from British Gas Insurance Limited under his home emergency insurance policy.

background

Mr M complained to BG about this matter. BG offered to return the premiums Mr M had paid under his policy and to pay him £65 compensation.

Mr M was unhappy with BG's response to his complaint. He thought it should pay for the replacement of his boiler. So, he complained to this service.

Our investigator thought Mr M's complaint should be upheld. He said BG should reimburse Mr M the price he'd paid a private contractor to replace his boiler, together with interest from the date he'd made this payment. And it should pay him a total of £150 compensation for the trouble and upset he'd experienced as a result of its poor handling of the matter.

BG disagreed with the investigator's conclusions. So, the matter's been referred to me to make a final decision.

I recently issued my provisional findings on this complaint. I said Mr M's policy only covers replacement boilers up to 10 years old if they were installed by BG otherwise they are only covered up to seven years old. The information I'd seen indicated Mr M's boiler was around 9 years old when it broke down and it wasn't installed by BG. So, in these circumstances I was minded to conclude it wouldn't be reasonable for me to require BG to reimburse Mr M the cost of replacing his boiler.

I noted that the parties had given us different accounts as to why an initial visit didn't take place shortly after Mr M took out his policy. In particular, they disagree about whether an appointment was booked for 28 June but not kept by BG. In these circumstances I was minded to conclude I couldn't determine whether the failure to carry out an initial visit was the result of any fault by BG.

I also noted that when BG concluded it wasn't able to cover Mr M's boiler due to its condition it reimbursed the premiums he'd paid and it paid him £65 compensation for the breakdown in communication that resulted in an initial visit not taking place. I was minded to conclude this was reasonable in the circumstances and that it wouldn't be fair for me to ask BG to pay Mr M any more compensation.

So, I was minded not to uphold his complaint.

This was different from the investigator's opinion, so I invited both parties to comment and provide any additional evidence for me to consider.

A copy of my provisional decision is attached and forms part of this final decision.

my findings

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

In response to my provisional decision, Mr M says he believes very strongly that if BG had attended the initial visit in June 2016 he would've taken the necessary steps to repair the boiler and he wouldn't be in the position he's in now. And he says if BG isn't able to carry out an initial visit, it shouldn't continue to provide cover and receive a financial benefit from the premiums.

Mr M also says without an initial visit if there hadn't been a fault within 12 months he would've been in breach of his obligations as a landlord by being unable to give his tenant a gas safety certificate. And he says this would also have created a very dangerous situation.

In addition, Mr M says BG didn't at any stage ask for proof of the age of the boiler or warn him about this clause in his policy. He says he thinks the clause is a loophole enabling it to refuse claims based on the age of a boiler. And he says to date he hasn't received any refund of his policy premiums or any compensation from BG.

BG's told us it sent Mr M a cheque refunding premiums of £162 on 3 March 2017, but it appears this wasn't presented for payment. It says the payment of £65 compensation was raised at the same time, but for some reason its payment team didn't actually pay the amount, so it was never sent. And it says it will now reissue both payments to Mr M by cheque.

I've noted Mr M's comments. But as I indicated in my provisional decision, I'm unable to determine why an initial visit didn't take place when Mr M took out his policy. And this means I can't hold BG responsible for any consequences of that visit not taking place.

I also think the clause that says BG will only replace boilers over seven years old that are beyond economical repair if it installed them is clearly set out in Mr M's policy. So, I can't conclude it was unreasonable for BG to rely on this clause in declining to replace Mr M's boiler.

In these circumstances I think BG's offer to return the premiums Mr M paid under his policy and to pay him £65 compensation was reasonable. And I note it's now reissuing both payments to Mr M by cheque.

So, for these reasons I can't uphold his complaint.

my final decision

I don't uphold Mr M's complaint against British Gas Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 23 February 2018.

Robert Collinson
ombudsman

copy of my provisional decision

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Our investigator thought Mr M's complaint should be upheld. He said BG should reimburse Mr M the price he'd paid a private contractor to replace his boiler, together with interest from the date he'd made this payment. And it should pay him a total of £150 compensation for the trouble and upset he'd experienced as a result of its poor handling of the matter.

BG disagreed with the investigator's conclusions. So, the matter's been referred to me to make a decision.

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.

I'm currently minded not to uphold Mr M's complaint and I'll explain why.

Mr M says according to BG's terms it should've made an initial visit to his property, which he says was booked by phone to take place on 28 June 2016. But he says the engineer failed to turn up and he wasn't given a reason why.

Mr M also says when he reported the boiler breakdown in December 2016 BG didn't mention that it might not cover the boiler and instead an appointment was booked for an engineer to repair it. And he says it was only when the engineer reported the faults that BG refused to repair the boiler or to give him any proper reason for its decision.

So, Mr M says because of BG's negligence in not attending the first visit on 28 June 2016, he wants it to reimburse the cost of his new boiler and the installation costs.

BG says Mr M set up his policy online on 7 June 2016. It says it then sent him a letter asking him to contact it to book his first visit. And it says it didn't hear from him until he reported the breakdown of the boiler in December 2016.

BG also says its engineer found the boiler had too many existing faults. It says if the initial visit had been carried out it would've identified any faults earlier and discussed with Mr M the possibility of not being able to provide cover. And it says it has no record on its system of an appointment being arranged for 28 June.

BG also says it's cancelled Mr M's policy from when it first started and it's given him a full refund. And it says given the age of his complaint and the fact that a first visit didn't take place, it's offered him £65 compensation.

In addition, BG says even if it had covered the repair, Mr M still wouldn't have been covered for a replacement boiler, due to its age. It says its policy is a repair and maintenance service and not boiler replacement insurance. And it says as an added benefit it will replace a boiler in certain circumstances, but these didn't apply in Mr M's case.

I see Mr M's policy only covers replacement boilers up to 10 years old if they were installed by BG otherwise they are only covered up to seven years old. The information I've seen indicates Mr M's boiler was around 9 years old when it broke down and it wasn't installed by BG. So, in these circumstances I'm minded to conclude it wouldn't be reasonable for me to require BG to reimburse Mr M the cost of replacing his boiler.

The parties have given us different accounts as to why an initial visit didn't take place shortly after Mr M took out his policy. In particular, they disagree about whether an appointment was booked for 28 June but not kept by BG. In these circumstances I'm minded to conclude I can't determine whether the failure to carry out an initial visit was the result of any fault by BG.

I see when BG concluded it wasn't able to cover Mr M's boiler due to its condition it reimbursed the premiums he'd paid and it paid him £65 compensation for the breakdown in communication that resulted in an initial visit not taking place.

I'm minded to conclude this was reasonable in the circumstances and that it wouldn't be fair for me to ask BG to pay Mr M any more compensation. So, I'm minded not to uphold his complaint.

my provisional decision

For the reasons set out above, but subject to both parties' responses to this provisional decision, I'm currently minded not to uphold Mr M's complaint against British Gas Insurance Limited.

Robert Collinson
ombudsman