

complaint

Mrs W had a home emergency insurance policy with British Gas Services Limited (British Gas) from 2001 until her boiler was replaced in 2015. She complains that:

- during that time, at each annual service British Gas wrongly classified her boiler flue as “Not to Current Standards” instead of “At Risk”;
- if British Gas had categorised the defect earlier, she could have taken this up with the original installer and had it remedied;
- British Gas should have replaced her boiler under its policy terms because of the lengthy problems she experienced in 2006/2008; and
- the technical problems that resulted in the “At Risk” classification meant the replacement of her boiler in 2015 cost much more than if these technical problems had been sorted earlier.

background

Mrs W had her boiler serviced by British Gas each year from 2001 onwards. Each year after the service she was told it was “Not to Current Standards”, but was safe to use. In 2015 she investigated replacing her boiler. This resulted in her being told by a gas industry safety body that her boiler flue was “At Risk” because it terminated less than the permitted distance below an opening window. As a result, the boiler was immediately shut down.

The way her house was built meant that installing a new boiler that complied with current regulations was more complicated and expensive than in a conventional house. Mrs W complained to British Gas.

British Gas accepted that it had wrongly classified Mrs W’s boiler at its service visits, though it said the measurements meant the flue was close to being “Not to Current Standards” and wasn’t immediately dangerous. It said the circumstances of her problems in 2006/2008 didn’t suggest it should have replaced her boiler then.

It paid her a refund of £840 in respect of the servicing element for every year of her policy since 2001. It also paid her £50 for incorrect information it had given about a discount she had received on her new boiler, and £100 for delays in responding to her concerns.

Our adjudicator didn’t recommend that this complaint should be upheld. First of all she said that British Gas wasn’t regulated by the Financial Conduct Authority prior to August 2009. So events which took place before then didn’t fall within our jurisdiction. Mrs W had also raised some concerns about how the new boiler was installed in her house, and the fact that the old flue wasn’t removed, but again these activities weren’t within our jurisdiction.

At the time the boiler was replaced in 2015, the circumstances meant that British Gas wasn’t required to pay for its replacement under the terms of the policy. So British Gas had acted correctly in this respect.

Mrs W wanted British Gas to refund the whole of the premiums she had paid since 2001. However the adjudicator said that as well as the servicing that had been carried out, Mrs W had had the benefit of the other protections under the policy if she had needed them. So the adjudicator thought the refund by British Gas of only the servicing cost of the policy was fair in the circumstances.

Mrs W thought the compensation should be increased because of the possible dangerous faults, and serious consequences, that could have occurred due to the failure to identify the "At Risk" flue. Fortunately, no such consequences did occur. It was our policy only to look at what actually happened rather than what could have occurred.

The adjudicator felt British Gas had responded to Mrs W's request to clarify the different classifications which could apply to her boiler. And she said the fact that a service wasn't carried out at the time the new boiler was installed wasn't necessarily contrary to the policy terms.

Mrs W responded to say, in summary, that:

- the mistake in classification by British Gas went on for 14½ years;
- gas safety standards meant that if a boiler/flue was "At Risk" it shouldn't continue to be used but should be turned off until the fault was remedied;
- the suggestion by British Gas that its degree of error in the classification was only some three inches was unprofessional and had no legal basis;
- she had to chase British Gas to get clarification to the different classifications;
- if the flue issues had been recognised and sorted earlier, the replacement of her boiler in 2015 would have been much simpler and less costly; and
- she didn't think the compensation British Gas had paid was enough given that its errors were responsible for the extra expense she had incurred.

my findings

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

As the adjudicator has said, we can't consider the actions of British Gas before August 2009. So I must ignore the earlier servicing by British Gas, and the problems Mrs W had with her boiler from 2006 to 2008. Nor can I consider the actions of the company which installed the new boiler, which aren't within our jurisdiction.

From 2009 onwards, British Gas consistently mis-classified the fault in Mrs W's flue. When this came to light in 2015, it meant that installing a replacement boiler was more complicated and expensive than if the existing boiler and flue were correctly positioned under current regulations.

However, I think this would also have been the case if British Gas had correctly classified the fault in 2009. If it had, I think that given the time since the old boiler was installed it would have been unlikely that Mrs W would have been able to get the original installer to remedy matters, if indeed it was then still in business. So I can't reasonably hold British Gas responsible for any extra expenses caused by the repositioning of the boiler and flue.

I agree that British Gas should have classified the boiler as "At Risk", and that this is a more serious classification which should have resulted in immediate action. I can well understand the shock and upset Mrs W suffered when the true position was revealed. Fortunately no one was injured as a result of British Gas's mistake.

Taking everything into account, I think the compensation British Gas has paid Mrs W is fair and reasonable in the circumstances and don't require British Gas to do anything more.

my final decision

My decision is that I don't uphold this complaint, and make no order against British Gas Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 12 June 2017.

Lennox Towers
ombudsman