

## **complaint**

Mr G complains that British Gas Insurance Limited is responsible for poor service in connection with a home emergency insurance policy.

## **background**

Mr G owned two flats in the same building and rented them to tenants. His complaint relates to one of those flats ("the flat").

Mr G had British Gas "*boiler and controls*" cover. The risk address didn't give the number of the flat – it just referred to the "*second floor*" of the building. British Gas has sent us a renewal letter from July 2017 with a policy number ending in 3908. It shows that Mr G was paying the yearly premium by monthly instalments.

The policy covered an annual service and - subject to a fixed fee or policy excess of £99.00 – repairs to the boiler and controls.

Where I refer to British Gas I refer to the insurance company of that name and I include engineers and others for whose actions I hold that company responsible.

Mr G booked an annual service for 23 November 2017. But neither he nor his tenant answered the door when British Gas arrived. Mr G says that was because the appointment wasn't until later that day.

In January 2018, there was a leak – from a radiator pipe - causing damage to a neighbour's flat below. Mr G complained that British Gas negligence had caused the leak and the damage. He complained that British Gas should pay for the damage and for a new boiler. British Gas visited in February 2018. British Gas visited again on 8 April 2018.

In a final response letter in May 2018 British Gas denied responsibility for the leak. It said it hadn't fixed the boiler on 8 April 2018 and would waive the invoice for the excess of £99.00. British Gas accepted delay in responding to the complaint. It sent Mr G a cheque for £150.00.

Mr G has sent us an invoice from an independent engineer showing that he capped off the gas supply to the boiler on 4 August 2018.

Mr G has sent us an invoice from another engineer showing that on 11 September 2018 he installed a new boiler at a cost of £2,400.00. Mr G brought his complaint to us on 30 September 2018.

## *our investigator's opinion*

Our investigator didn't recommend that the complaint should be upheld. He acknowledged a possibility that British Gas did arrive early on 23 November 2017. But the investigator thought that – by contacting Mr G on 29 November 2017, 13 December 2017, 27 December 2017 and 10 January 2018 - British Gas had taken enough steps to try and arrange another appointment to service Mr G's boiler.

The investigator didn't think that British Gas made a mistake that caused Mr G's radiator pipe to leak. The investigator said that British Gas should've responded to Mr G sooner.

But he thought £150.00 was fair in putting this right.

*my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mr G and to British Gas on 10 October 2019. I summarise my findings:

Because of the lack of technical engineering evidence, I didn't find it fair and reasonable to hold British Gas responsible for the leak or its consequences.

I found that poor communication by British Gas caused Mr G distress and inconvenience.

I didn't find that £150.00 went far enough to compensate for this. Keeping in mind the cold weather and the need to deal with an unhappy tenant, I was minded to find £250.00 fair and reasonable.

Subject to any further information from Mr G or from British Gas, my provisional decision was that I was minded to uphold this complaint in part. I intended to direct British Gas Insurance Limited to pay Mr G (in addition to its cheque for £150.00) a further £100.00 for distress and inconvenience.

Mr G disagrees with the provisional decision. He says, in summary, that:

- British Gas uses a database for insured properties which didn't allow him to specify the flat number.
- Neither he nor the tenant received a call on 23 November 2017. From the address they hold on record the engineer simply didn't know what flat to ring at the main entrance.
- British Gas never sent an email on 29 November 2017, 13 December 2017, 27 December 2017 or a letter on 10 January 2018 asking him to arrange a visit.
- An ordinary system runs a pressure of approximately 1-1.5 bar.
- He reported a pressure of 3.5 bars on 2 and 11 February 2018. Any engineer would conclude that no system can bear that pressure and certain parts of the system have to leak pressure.
- On 11 February 2018 British Gas said the boiler was repairable, yet only 6 days later the boiler was experiencing a pressure far higher than normal.
- The boiler was turning off every day for lack of pressure.
- British Gas wasn't suggesting a final remedy, even if not covered.
- A sequence of events shows British Gas was negligent
- British gas didn't provide engineering evidence.

- The tenant stopped paying for the rent in April 2018. Mr G lost over £12,000 (3 months of rental income).
- British Gas provided no feedback for a number of months.
- British Gas doesn't provide a price to solve the issue, be it a full replacement of the boiler or a smaller intervention.
- The flat was no longer eligible for a gas safety certificate.
- He claims £2,400.00 for boiler replacement, £7,140.00 for repair of the neighbour's flat and £12,000.00 for lack of rental income, a total of £ 21,540.00.

British Gas disagrees with the provisional decision. It says, in summary, that the £150.00 already offered fairly recognises the inconvenience caused to Mr G and the suggested additional £100.00 isn't fair in the circumstances.

### **my findings**

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

The policy covered an annual service. It also covered boiler repairs. The policy didn't cover central heating radiator pipes.

Its records show (by way of "Code 5") that British Gas had been advising Mr G since 2016 that he had an old boiler and he should consider getting a new and more efficient one. The records also show that British Gas did an annual service visit on 13 January 2017.

British Gas visited for the purpose of doing an annual service on 23 November 2017. Mr G hasn't provided enough evidence that British Gas left the building before the time of the appointment.

Mr G knew – and complained – within a week that British Gas hadn't done the annual service. So – whether or not he received its reminders – he knew he needed to re-book an annual service.

Mr G complained that he couldn't book a service online. But he quoted a policy number ending in 8302 which I think was for his other flat.

Later he sent us a more recent screenshot showing that he could book online a service for that policy number but not for his home. But I'm not persuaded that he couldn't book a service for the flat in late 2017 or early 2018.

In any event he could've telephoned to make an appointment for a service. And if he was concerned about the functioning of the boiler – high pressure for example – then he could've called for a repair visit.

As I understand it, Mr G believes that the missed annual service caused – or failed to prevent - a build-up of boiler pressure which in turn caused a central heating radiator pipe to leak and cause damage.

But he hasn't provided enough evidence from an engineer. So I don't think he can show any of the following:

- that the boiler pressure was too high in November 2017;
- that British Gas should've noticed that issue on an annual service;
- that British Gas should've adjusted or repaired the boiler;
- that it was high boiler pressure that caused the radiator pipe to leak.

Because of the lack of technical engineering evidence, I don't find it fair and reasonable to hold British Gas responsible for the leak or its consequences.

British Gas visited the flat on 13 February 2018. Its records show that it recharged the expansion vessel, repaired a leak under the boiler and vented the radiators. I don't see that as evidence that high boiler pressure since November 2017 had caused the leak. British Gas also did the annual service.

Mr G had to pay a £99.00 excess. And I see no basis on which it would be fair to direct British Gas to waive it.

Notwithstanding that Mr G had quoted one of his other policy numbers when he complained in February 2018, British Gas should've investigated and sent its final response within eight weeks. But there was a delay.

On 8 April 2018 British Gas visited again. It said the boiler was blocked and Mr G needed a new one. But I don't think British Gas has explained why it didn't repair the boiler in April 2018.

Mr G has recently shown us a letter dated April 2018 by which the tenant asked to vacate the flat. But he hasn't shown that this was because of British Gas. So I don't find it fair and reasonable to direct British Gas to compensate Mr G for loss of rent.

British Gas failed to respond to Mr G's emails until 21 May 2018. It still didn't explain why it hadn't repaired the boiler in April 2018. So I accept Mr G's complaint that British Gas stopped giving him service but didn't explain why. I don't doubt that the failure to communicate left him feeling abandoned.

Mr G said he would stop paying his instalments. So I find it likely that the policy came to an end on or before the renewal date of 7 July 2018.

On 4 August 2018 Mr G's engineer capped off the boiler for safety reasons. But I don't think it had been working. And I don't think there's enough evidence that had been unsafe in February or April 2018.

Mr G got a new boiler installed on about 11 September 2018. But I find it likely that he'd needed a new boiler for some years. So I don't find it fair and reasonable to direct British Gas to compensate him for the cost of that.

And Mr G's claim for "*actuarial loss*" isn't a type of loss I recognise. I think it's based on punishing the business for what might've happened. I only look at compensation for what actually happened.

I've found that poor communication by British Gas caused Mr G distress and inconvenience. I don't find that £150.00 went far enough to compensate for this. Keeping in mind the cold weather and the need to deal with an unhappy tenant, I find £250.00 fair and reasonable.

### **my final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct British Gas Insurance Limited to pay Mr G (in addition to its cheque for £150.00) a further £100.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 29 November 2019.

Christopher Gilbert  
**ombudsman**