

## **complaint**

Mr J is unhappy with the service he received from British Gas Insurance Limited under a central heating insurance policy.

## **background**

Mr J's British Gas policy covered a property he rents out to tenants. In July 2015 British Gas carried out the annual service on the boiler. This included checking the flue. British Gas reported that the boiler was satisfactory.

In July 2016 British Gas carried out the annual service on the boiler. Its engineer said the 'flue run' was incomplete. This meant he capped the boiler as 'immediately dangerous', and it couldn't be used. He told Mr J's tenants and left a quote for the repair work (about £550).

Mr J complained. He said British Gas should have picked up the flue issue during the 2015 inspection. The bathroom had recently been replaced, and the boiler was in the bathroom.

A British Gas manager spoke to Mr J. The manager accepted British Gas should have picked up the flue issue in the 2015 service. He apologised and said British Gas had quoted for the repair. Mr J said he would need to replace the boiler, given his tenants didn't have any hot water. British Gas sent Mr J £250 as a goodwill gesture, for its delay and poor service. Mr J said this wasn't enough. British Gas wouldn't pay any more so he came to us.

Our investigator thought £250 was a fair level of compensation. Mr J disagreed. He said the boiler was fully maintained and flues don't just fall apart. He said if British Gas had picked up the flue issue in the 2015 annual service he would have gone back to the builder who'd recently replaced the bathroom. It was likely the builder had damaged the flue. If the builder refused to rectify the problem then Mr J would have taken him to court. Mr J has done this a few times before and thinks he'd have been successful. By the time British Gas picked up the issue too much time had passed for successful action against the builder.

Mr J says British Gas should pay him the £550 it would have cost to replace the flue, as it's likely he'd have recovered this money from his builder. He doesn't see why he, as a small landlord, should bear the cost where British Gas had made a potentially dangerous and costly error. He also says British Gas failed to reply to his complaint within the required timescales. We've sent him British Gas' final response letter (which I understand Mr J didn't receive). He's not added any comments on that letter. He asked to see anything British Gas had sent to us. Our adjudicator explained her findings were based on the final response letter, Mr J's complaint and the emails between him and British Gas.

## **my findings**

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

British Gas initially suggested this complaint wasn't covered under our rules. Our investigator told British Gas she thought it was covered, because the annual service is part of British Gas' insurance contract with Mr J. And it should've picked up the flue issue during that annual service. British Gas accepted this and sent us its file. For completeness I confirm that this complaint is covered under our rules, for the reason given by the investigator.

British Gas has accepted it should have picked up the flue issue during the 2015 service. So I need to decide a fair level of compensation for its error and poor service.

I think British Gas has paid a fair and reasonable amount of compensation to Mr J. I'll explain why.

Mr J was entitled to an annual service under the policy. But any repairs required to the flue are specifically excluded under the policy terms. His boiler was around 15 years old. The policy wouldn't have covered him for a replacement boiler if the flue couldn't be repaired.

I appreciate Mr J hasn't disputed the policy terms. He's made the point that he could have successfully taken action against the builder who replaced the bathroom where his boiler is located, had he known about the flue issue earlier.

Mr J explains he's been successful in small claims court cases before. But we don't know whether the builder would have accepted he'd damaged the flue in the first place. And it's also possible the builder might have successfully defended any court action. Mr J says it would be more difficult to prove a case against his builder after a year had passed. I see his point. But he could still have taken action against the builder, given he's said there wasn't any further work around the boiler after the builder replaced the bathroom.

Ultimately we don't know what the outcome of any action against the builder would have been. I don't think I can fairly say British Gas must compensate Mr J for the alleged poor work by his builder.

Mr J would understandably have been very concerned that the boiler was shut down, and the affect of this on his relationship with his tenants. British Gas explained there wasn't any risk to the tenants, because there'd not been any escape of gas. But I do understand his concern and I think it was right that British Gas offered Mr J some compensation for its poor service. Our awards aren't intended to penalise a financial business for doing something wrong. I think £250 was a fair and reasonable amount of compensation.

British Gas called Mr J within a few days of his initial complaint and offered him £250 to resolve it. British Gas sent him its final response within eight weeks, which is just within its regulator's required timescale. I've seen the letter was sent to his registered address, and British Gas also told him it had sent the letter when he phoned for an update. It sent the cheque for £250 the following week. I think it responded properly to his complaint.

### **my final decision**

I don't uphold this complaint because I think British Gas Insurance Limited has already paid Mr J a fair and reasonable amount of compensation. Mr J hasn't confirmed whether or not he received British Gas' cheque for £250. If he didn't receive it then British Gas should stop the cheque and issue another one to Mr J.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 30 January 2017.

Amanda Maycock  
**ombudsman**