



## **complaint**

Mr and Mrs C complain that British Gas New Heating Limited misrepresented the cost savings that would be made if they agreed to buy a new boiler. They are represented in their complaint by their son, Mr A.

## **background**

Mr and Mrs C were visited by a British Gas Engineer in October 2012. Their boiler was declared potentially unsafe. As a result, it was agreed that a salesperson would visit them to discuss their options. Mr and Mrs C agreed to buy a new boiler for £3,874.95. This was financed by way of a fixed sum loan agreement. Mr A says that he was assured by the salesperson that the boiler would provide 30% savings in his parents' bills. Mr and Mrs C agreed to buy a new boiler in reliance on this statement.

Mr A complained to British Gas in June 2013 as his parents utility bill had significantly increased. He said that the promised savings had not materialised. As such the boiler had been mis- sold to his parents. It is now unaffordable to them.

British Gas did not uphold the complaint. It said that the savings promised are approximate, and are over the lifetime of the boiler. British Gas says that Mr and Mrs C's bills have risen due to their increased gas usage.

Mr A was not happy with this response and brought a complaint to us to consider.

The adjudicator did not recommend that the complaint should be upheld. He considered that there was not enough evidence to persuade him that Mr and Mrs C were given a definite assurance that their bills would be 30% cheaper with the new boiler. Further, the adjudicator considered that Mr and Mrs C entered into the loan agreement for a number of reasons. One of these was that their old boiler was unsafe. As such, the adjudicator did not consider that any statement about energy savings had been the sole inducement for the contract.

The adjudicator explained that he would need to look into the issue of affordability. He could do this if Mr and Mrs C sent in evidence of their income and expenditure.

Mr and Mrs C are not happy to accept the adjudicator's recommendation. They say, in summary, that the documents given to them before the sale show they were told that the savings would pay for the finance costs. Further their gas usage should not have increased by 30%. Mr and Mrs C say that British Gas installed a product that was of a much higher specification than was needed. They should have been offered a cheaper model.

Mr and Mrs C point out that the salesperson did not tell them that the cost savings would be an estimate. They have experienced considerable stress in trying to resolve this matter.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of

probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I appreciate that Mr and Mrs C will be very disappointed by my findings.

### Misrepresentation

Misrepresentation is a false statement of fact. If British Gas gave Mr and Mrs C inaccurate or untrue information or assurances about the boiler prior to their purchase, and Mr and Mrs C went ahead on the basis of that, there will be a viable complaint of misrepresentation.

It does not appear to be in dispute that Mr and Mrs C's boiler needed replacing. It was 31 years old and was found to be unsafe. They agreed to have a visit from a British Gas salesperson to discuss its replacement.

Mr and Mrs C say they were induced into buying the boiler from British Gas by an assurance that their gas bills would be 30% cheaper a month. The salesperson wrote down a note which said that the new boiler would result in "*gas savings of approx. £18 a month*". I am not however persuaded that this was in fact the sole reason Mr and Mrs C agreed to buy the boiler from British Gas. They were without a boiler at this point and so needed to replace it. I have not seen anything to suggest that Mr and Mrs C or Mr A obtained quotes from any other supplier. The savings in gas were expressed to be an approximate figure. I do not find that a definite assurance as the level of savings was given.

Overall, I find, on balance, that Mr and Mrs C were not induced into buying a new boiler on the basis of an approximate cost saving. They were without a boiler, and I find that it was the need for a replacement, rather than cost savings, which induced them into buying a new one. As such I do not find that the product was misrepresented to them.

Mr and Mrs C are very unhappy that their gas bills have increased since the new boiler was installed. There appears to be a number of reasons for this. Firstly their gas consumption has increased. Secondly gas prices generally have gone up. Thirdly their old meter has been replaced. It is likely that this new one is measuring actual consumption more accurately than the old one.

### Suitability of boiler

Mr and Mrs C say that they were sold a boiler which was of a too high specification for them. They should have been offered a cheaper model. We have explored this with British Gas. It has explained that the boiler was chosen because it matched their water flow, and was suitable for their property. British Gas has added that another model of boiler which had a lower hot water output, could have resulted in higher bills. In light of this, I am not persuaded that the boiler supplied to Mr and Mrs C was unsuitable for their needs.

### Affordability

As the adjudicator has explained, Mr and Mrs C will need to provide evidence of their income and expenditure to us before we can investigate whether the boiler sold to them was unaffordable. We cannot make an assessment on affordability without this information.

**my final decision**

My decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs C to accept or reject my decision before 10 April 2015.

Rosemary Lloyd  
**ombudsman**