

complaint

Mr H has complained that British Gas Insurance Limited (BG) wouldn't fix his boiler because a spare part was declared to be obsolete, and misled him into believing that the boiler remained covered under his HomeCare policy when it wasn't.

I issued a provisional decision in this case and received responses from BG and Mr H which I've taken into consideration.

background

Mr H owns a number of properties which are covered by a multi-property HomeCare policy with BG. The policy year runs from 5 May to 4 May the following year. Each year a gas safety check is carried out.

On 24 May 2018, an engineer visited one of Mr H's properties to carry out a check on the boiler. It appears from BG's records that the boiler had been installed in 1984. BG had covered it since 2009. BG reported back on 28 May to state that the boiler wasn't safe. The reason given was that a replacement part was needed but this part was obsolete. Mr H was advised that his boiler would need to be replaced, and he was given a quote of £3,744.52 for this.

Concerned about this high cost, Mr H contacted an independent engineer who was able to source the replacement part easily and fixed the boiler within 8 minutes. The cost for this came to £134.40.

Mr H raised a complaint with BG. It informed him that the complaint would be escalated once it had received a copy of the invoice for £134 40. This invoice wasn't sent to BG, so Mr H's complaint was escalated, resolved and closed.

BG sent Mr H an email on 30 May 2018 informing him that because his boiler had been repaired by a third party, it was being removed from cover. This was followed by a letter dated 31 May which also informed him that central heating cover for this property was cancelled. BG also sent Mr H a final response letter in relation to his complaint on 27 June in which it again informed Mr H that his boiler was no longer covered.

Mr H says he wasn't informed about the cancellation of cover. He says that the contact details BT had been using for him were 11 years out of date.

On 3 December 2018, Mr H received a call from his tenant at the same property to say the boiler's pilot light had gone out. A member of Mr H's staff contacted BG to ask if the boiler was still covered as it had been repaired following the breakdown in May. She says BG confirmed to her that it was, and that it would send out an engineer. When BG's engineer arrived he informed Mr H's tenant that cover had been cancelled and he couldn't do a repair. Mr H then called out the same independent engineer that he'd used previously and he was able to replace the pump and get the boiler working again within 20 minutes. The cost of this was £217.78.

Mr H complained to BG that it hadn't informed him that central heating cover for this property had been cancelled in May and that there had been no cover in place from that time despite it having been confirmed on 3 December that the boiler was still covered. He also wasn't

happy that he'd had to pay an independent engineer to carry out work he expected would be covered by his policy.

He's also unhappy that he had to pay for his boiler to be repaired by an independent engineer in May as BG wouldn't do so because a part was 'obsolete'. Mr H says that he was told by BG on 3 December that it uses the term 'obsolete' if it can't access parts from its own suppliers, not that the part is in fact obsolete and no longer in production or existent. It says it would try 10 local suppliers to try to get a part before declaring it obsolete. However Mr H says his engineer accessed the necessary part and had no difficulty in doing so.

Mr H says BG told him it won't re-open his original complaint and referred him to this service.

BG says it hasn't breached any of its terms and conditions. It's explained that it's subject to tight regulations and that this often means a third party engineer will be in a position to repair a boiler when BG can't because of its regulations. It says it explained to Mr H that he didn't have to accept it's quote for a new boiler. He could have a new boiler installed either with or without BG, or he could have his boiler repaired by a third party engineer. But as it doesn't cover third party work it wouldn't then be able to continue to cover this boiler.

BG has accepted that Mr H was misadvised when he was told on 3 December 2018 that the boiler at this property was still covered. It's explained that an engineer was sent on this second occasion because it had been advised that there was a medically vulnerable person in the property. But the engineer then realised that parts needed were obsolete. BG says Mr H wasn't charged for this call out, but says he should've been aware from May 2018 that the property wasn't covered despite which he still tried to make a claim. It says this claim should've been rejected from the moment he phoned BG.

BG offered a goodwill gesture of £30 for the unproductive visit, and then increased this to £50 to take into account the incorrect advice it had provided. Mr H doesn't consider that this is sufficient, and referred his complaint to this service. He says he wants BG to acknowledge that errors have been made and to compensate him to the value of the repairs that had to be undertaken by an independent engineer.

Our investigator considered the various areas in which Mr H expressed dissatisfaction about BG's service. She considered that BG had misinformed Mr H that his boiler remained covered when he telephoned on 3 December, and her view was that it would be fair for BG to pay Mr H £100 compensation for this. Mr H doesn't think this is sufficient compensation. BG thinks it's excessive. Mr H's complaint has therefore been passed to me to make a final decision.

my 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 going to uphold Mr H's complaint but to make a different award to that suggested by our investigator and I'll explain my reasons.

With regards to BG's failure to fix Mr H's boiler in May 2018, I don't think BG acted unreasonably here. It says it couldn't source the necessary part for the boiler which according to BG's records was 36 years old. I accept that Mr H's independent engineer was able to find a part but I have no information as to where that part came from and how difficult it was to source, despite Mr H having been asked by our investigator to provide this information. It is a term of Mr H's policy that BG will source spare parts from original

manufacturers or its approved suppliers, failing which it may cancel the policy. I don't think it's reasonable to expect BG, with a large customer base, to state how many suppliers it tried in order to obtain the necessary part for Mr H's boiler.

In his response to my provisional decision, Mr H stated that he'd been misled by BG as to the need for a new boiler when this wasn't necessary because the part needed to repair his existing boiler was readily available. But as Mr H hadn't provided any information as to where his own engineer had obtained the necessary part, and BG has explained that it hadn't been able to obtain one from one of its trusted suppliers, I cannot say that BG has acted unreasonably here.

I've seen the email that BG sent to Mr H's business email address on 30 May and the letter sent to him on 31 May informing him that because a third party had undertaken work on his boiler, it could no longer be covered by his policy. The email and postal addresses match those on BG's records and also his details on his complaint form to this service. Further, in a telephone call with our investigator, one of Mr H's staff confirmed that she'd received the email of 30 May 2018.

So I'm satisfied that Mr H should've been aware from May 2018 that the central heating cover for the property in question was no longer covered by his HomeCare policy.

One of Mr H's staff phoned BG on 3 December 2018 to ask if the property was still covered as the fault in May had now been rectified. She was told that it was. This was incorrect.

Mr H says that the strain that this misleading information has caused both himself and his tenants has been huge. He says he was unaware that this property wasn't covered by his HomeCare Agreement and as such, the tenant was without sufficient cover since May 2018. He says the only people aware of this were BG, and that the damage caused, financially and emotionally, to all those involved could've been detrimental if anything had happened during that time.

However, as I've found that BG informed Mr H on a number of occasions from 30 May 2018 that the boiler at this property was no longer covered, which was confirmed by his staff, I'm not satisfied that BG has done anything substantially wrong.

In reliance on BG's confirmation on 3 December that the boiler was still covered, arrangements would've been made with the tenant for the engineer's visit, only for the engineer to say he couldn't do any work on the boiler because it wasn't covered. I expect this might've caused some inconvenience for Mr H's tenant. BG has offered £50 compensation. I think this is fair and reasonable in the circumstances to reflect the limited inconvenience caused.

In his response to my provisional decision, Mr H also says that BG's approach to his complaint was "relaxed and cavalier" and that the treatment he, and he believes others, have received was "wrong on every level". He says he hoped that this service would take steps to penalize BG.

However it is not part of the role of this service to penalize businesses. Financial awards against businesses are intended to put customers back into the position they would've been in if things hadn't gone wrong, or to compensate them for trouble and upset they may have experienced. I've accepted that Mr H suffered some trouble and upset from the fact that BG

provided misleading information in December 2018. I'm therefore requiring BG to pay him the £50 it originally offered to pay him to compensate him for this.

I'm therefore not proposing to ask BG to do anything more than to pay this sum to Mr H.

my final decision

For the reasons I've given above, I'm upholding Mr H's complaint and require British Gas Insurance Limited to pay Mr H £50 compensation unless it has already done so.

British Gas Insurance Limited must pay this sum within 28 days of the date on which we tell it Mr H accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 July 2020

Nigel Bremner
ombudsman