

complaint

Mr P complains that British Gas Insurance Limited gave poor service under a home emergency insurance policy.

background

The Financial Ombudsman Service deals with complaints against insurance companies and other regulated financial firms. Where I refer to British Gas I refer to the insurance company of that name and I include its engineers and others for whose actions I hold that company responsible.

From what Mr P says, he was, in September, sharing his home with his mother (who is elderly and has mobility problems), his sister and her young daughters (his nieces).

Mr P had British Gas "Gas Appliance Cover". The policy terms said it was an insurance product. It covered his gas-fired water heater for repairs and an annual service.

He had an annual service on about 30 August 2018 and British Gas said the appliance was working safely. He complained that British Gas hadn't done the service properly – because on 2 September the heater broke down and on 3 September a second engineer said it was unsafe and switched it off.

On 3 October British Gas sent a final response letter. It said a third engineer (a safety assurance engineer) had said there had been no health risk to Mr P or his family. But British Gas said it was sending a cheque for £130.00 as "a gesture of goodwill". Unhappy with that offer, Mr P brought his complaint to us the same day.

our investigator's opinion

Our investigator didn't recommend that the complaint should be upheld. She thought that she shouldn't substitute her own judgment for that of the qualified safety assurance engineer who confirmed that the heater didn't pose a risk to Mr P or his family.

The investigator thought that Mr P hadn't had the best service. But she was satisfied that the offer of £130.00 took into account the inconvenience Mr P experienced and was also generally in line with what we would've recommended.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr P and to British Gas on 27 March 2019. I summarise my findings:

I can't award compensation at a level to punish or deter such mistakes. Rather I have to look at the actual effect on Mr P, including his concern for his family.

British Gas said its offer was made up as follows:

For the inconvenience of multiple visits	£50.00
for broken appointments	£30.00
for a broken promise	£30.00
for multiple calls chasing the appointment and complaint	£20.00

total

£130.00

But that offer doesn't include anything for the distress and inconvenience Mr P experienced in worrying about whether British Gas had left him and his family at risk between 30 August and 3 September.

Subject to any further information from Mr P 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 P – in addition to the £130.00 it had already paid – a further £100.00 for distress and inconvenience.

Mr P hasn't responded to the provisional decision.

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my findings

I haven't considered Mr P's complaint about the invoice on 5 October because that is after the date of the final response. I don't think Mr P made that complaint until he emailed us on 21 January. British Gas hasn't had the usual opportunity to respond to that complaint. So I don't think it would be fair for me deal with it in this decision.

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

Mr P's policy was renewed on 28 November 2017. The cost for the following year was about £110.00 which he agreed to pay by instalments of about £9.00 per month.

I accept that Mr P didn't call British Gas to do repairs under the policy. But I'm satisfied that he had cover as stated in the policy terms. So I don't find it fair and reasonable to order any refund of premium for the period when he had the benefit of the policy.

I accept the statement from British Gas that the appliance was "room sealed". I understand that to mean that the exhaust gases could only escape via the flue, not into the room where the boiler was.

I've seen photographs of a hole in the side of the water heater. Mr P says his sister took the photographs later. But from the size of the hole, I find it likely that a problem was clearly visible on 30 August and the first British Gas engineer should've seen it.

He left a written job sheet at Mr P's property. He also uploaded some notes. The notes recorded "Code 6". And that means 'quote declined following advice'. So I find that the engineer advised Mr P that he should consider getting a new water heater.

I think British Gas accepts that its engineer should've issued a safety notice saying that the appliance was 'at risk'. It says it has given the engineer "feedback" about this. But the category of "at risk" isn't as bad as the category of "immediately dangerous".

I've thought about what position Mr P would've been in if the engineer had issued an "at risk" notice on 30 August. I think he wouldn't have had the use of the water heater. And I think he would've been troubled that he and his family had been at risk before 30 August.

What actually happened was that the heater stopped working properly on 2 September. That left no hot water for Mr P and his family.

And I have no reason to doubt Mr P's statement that on 3 September the second engineer not only cut off the hot water but also cut off the cold water supply to the bath.

The final response letter later included the following:

"An engineer then attended and advised you that there was a hole in the heat exchanger and the appliance was very dangerous, this appliance had to be condemned. You were very unhappy that the service engineer did not identify this and left the appliance in a dangerous state."

I think that was in a section of the letter summarising Mr P's complaint, rather than agreeing with it.

I accept that British Gas didn't respond to Mr P as efficiently as it should've done. It didn't keep a promise about communication and it didn't keep all its appointments. So Mr P had to spend extra time chasing up his complaint.

From what he says, I think Mr P got a new water heater on 18 September.

I accept that British Gas incorrectly told Mr P the first engineer had been at the property for 71 minutes. But I accept that this was no more than a mistake, quickly corrected to 45 minutes.

There was some delay before British Gas sent its third engineer – a safety specialist. I think he tried to reassure Mr P that he and his family hadn't been in danger.

I don't condone the making of mistakes in servicing gas appliances. But – under the rules by which the Financial Ombudsman is bound – I can't award compensation at a level to punish or deter such mistakes. Rather I have to look at the actual effect on Mr P, including his concern for his family.

After he cancelled the policy, British Gas refunded £7.37 and I find that fair.

As it was a room sealed appliance I don't think Mr P or his family had been exposed to any safety risk

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total	£130.00

But that offer doesn't include anything for the distress and inconvenience Mr P experienced in worrying about whether British Gas had left him and his family at risk between 30 August and 3 September.

That's a short period. But I find it fair and reasonable to direct British Gas to pay Mr P – in addition to the £130.00 it has already paid – a further £100.00 for distress and inconvenience.

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 P – in addition to the £130.00 it has already paid – a further £100.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 17 May 2019.

Christopher Gilbert
ombudsman