

## **complaint**

Mr M complains about the service he received from British Gas Insurance Limited under his home emergency insurance policy.

## **background**

Mr M cancelled his policy with BG on 29 December 2016 and he took out home emergency cover with another insurer on 6 January 2017.

On 10 January Mr M reported a leak from his boiler. His new home emergency insurer attended and concluded the fault had been developing for well over a month. So, it said it wasn't covered under Mr M's policy.

On 13 January Mr M asked BG to attend to deal with the fault. BG advised Mr M that it was unable to arrange an engineer's visit under a cancelled policy.

Mr M had no heating or hot water. On 31 January he had the boiler replaced by a private engineer.

Mr M complained to BG about the service he'd received. And, being unhappy with its response, he complained to this service.

Our adjudicator thought Mr M's complaint should be upheld. She said BG should pay for the replacement of Mr M's boiler in line with the terms and conditions of his policy, together with interest from the date Mr M paid for the new boiler until the date of settlement. And she said it should pay Mr M £150 compensation for the distress and inconvenience he'd been caused.

BG disagreed with the adjudicator's conclusions. So, the matter's been referred 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've decided to uphold Mr M's complaint and I'll explain why.

Mr M says a few days after he'd switched his home emergency insurance provider, there was a leak from his central heating boiler, resulting in its total breakdown. He says his new insurer sent an engineer who said the fault had been ongoing for well over a month, so it was pre-existing. And he says his new insurer advised he wouldn't have been aware of the fault as it would've built up slowly inside the boiler.

Mr M also says when BG refused to visit to inspect the boiler, a member of his family arranged for a private engineer to inspect and advise due to there being no heating or hot water during freezing temperatures, at a time when he and his fellow occupier were poorly. And he says the private engineer advised the fault had been present for a considerable time, due to the evidence of rust.

In addition, Mr M says the private engineer confirmed Mr M wouldn't have been aware the fault was developing and would've had no warning the boiler was going to break down. And Mr M says he was left with no option other than to replace the boiler, in the circumstances.

BG says its home emergency insurance covers customers for claims they make while they have a policy with it. And it says once the policy ends (whether it runs out or is cancelled) the customer's no longer covered and can't make a claim.

BG also says as Mr M's policy was cancelled, at his request, on 29 December 2016, the policy period ended on that day. And it says there's no suggestion Mr M reported a fault to it before this date.

In addition, BG says it wasn't unreasonable for it to decline to respond to Mr M's request to send out an engineer. As at the time it was contacted Mr M's policy had ended, so he couldn't validly claim under it.

I acknowledge Mr M's policy with BG had ended around two weeks before he reported the problem with his boiler. But I've seen evidence from two different engineers that the fault had developed more than a month before Mr M became aware of it. And Mr M's given us photographs showing the corrosion inside the boiler, also indicating that it had been leaking for a considerable time. So, I'm satisfied the fault which resulted in Mr M's boiler needing to be replaced developed when he had a policy with BG.

I'm also satisfied from the engineers' evidence I've seen that Mr M wouldn't have been aware this fault was developing, so he couldn't reasonably be expected to have reported it during the term of his policy with BG. So, in these circumstances, I think it's fair and reasonable for me to ask BG to cover the costs it would've covered if Mr M had reported the fault before his policy ended.

I see the independent engineer who attended advised it would cost nearly as much as a new boiler to replace the heat exchanger and the fan. So, this in reality meant the boiler had to be replaced. And, for the reasons I've indicated above, I think it's fair and reasonable for me to ask BG to pay Mr M the replacement cost of the boiler, in line with the terms of his policy. And for me to ask it to pay him interest from the date Mr M paid for the new boiler until the date of settlement.

Mr M and his family were clearly caused distress and inconvenience as a result of BG's handling of this matter. So, in the circumstances, I think it's reasonable for me to ask BG to pay Mr M £150 compensation.

### **my final decision**

I uphold Mr M's complaint against British Gas Insurance Limited. It must pay for the replacement cost of Mr M's boiler in line with the terms of his policy, together with interest at a gross annual rate of 8% simple from the date Mr M paid for the new boiler until the date of settlement\*. And it must pay Mr M £150 compensation for the distress and inconvenience he's been caused by its handling of this matter.

\*If BG considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr M how much it's taken off. It should also give Mr M a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 August 2017.

Robert Collinson  
**ombudsman**