

complaint

Ms M and her daughter complain that British Gas Insurance Limited gave poor service under a home emergency insurance policy.

background

The Financial Ombudsman Service deals with complaints about insurance companies and other regulated financial firms. We can't usually deal with complaints about the sale and installation of new gas boilers unless, exceptionally, the boiler is installed free of charge as a benefit of an insurance policy.

Where I refer to British Gas, I refer to the insurance company of that name - and I include engineers, call-handlers and others for whose actions I hold that company responsible.

Ms M and her daughter had a British Gas policy to cover their central heating system (as well as other things such as plumbing and electrics). The annual premium was payable by monthly instalments.

Ms M has medical conditions including a heart problem. I think that – in late 2017 and early 2018 – her daughter and a school-age child were living with Ms M.

When the boiler wasn't working properly in October 2017, Ms M contacted British Gas. She complained that its engineer didn't fix the boiler but said she needed a new one.

In February 2018 – during a period of cold weather - the boiler stopped working. Ms M complained that British Gas still didn't help - or deal properly with her complaint.

British Gas offered to pay £250.00 and to reimburse Ms M's monthly payments (for central heating cover) from October 2017 to April 2018 totalling about £162.00.

our investigator's opinion

Our investigator thought that – although it hadn't done what it was supposed to - British Gas offered fair compensation.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Ms M and her daughter and to British Gas on 4 January 2019. I summarise my findings:

British Gas repaired the boiler on 30 April 2018. And – crucially - I didn't think British Gas had given a satisfactory reason why it didn't fix it in October 2017 or at least March 2018. So I thought it should've done.

Subject to any further information from Ms M or her daughter or from British Gas, my provisional decision was that I was minded to uphold this complaint. I intended to direct British Gas Insurance Limited to pay Ms M and her daughter (jointly) £700.00 insofar as it hadn't already paid that amount.

British Gas didn't respond to the provisional decision.

Ms M agrees with the provisional decision. She says that British Gas caused her physical health to deteriorate as she had to lift heavy buckets of water up and down the stairs for many weeks. A CT scan showed her hernia repair had ruptured – requiring further surgery, she says.

my findings

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

Ms M has told us that a company other than British Gas had installed the boiler less than ten years ago. But the British Gas records show that she had had the same boiler since at least August 2010. And British Gas had replaced the heat exchanger in December 2013.

Ms M and her daughter renewed the policy in February 2017. The policy said British Gas would repair the boiler. But under the heading of "Spare Parts", there were terms as follows:

*"...If we can't get hold of the parts we need we may need to cancel your **agreement** (or part of it) unless you're eligible for a **replacement**.
If we've agreed to cover a boiler or appliance but warned you that it might be difficult to find spare parts, we'll do what we can, within reason, to **repair** it."*

The policy said that if the company couldn't repair it British Gas would provide a replacement boiler if British Gas had installed the boiler and it was between seven and ten years old. But British Gas hadn't installed Ms M and her daughter's boiler. So they weren't entitled to a replacement when they called British Gas in early October 2017.

From its records, I think British Gas found the boiler safe to use. But it said the main heat exchanger was leaking. I can see that British Gas wanted to quote for a new boiler.

But its checklist didn't indicate any problem with the availability of spare parts. And Ms M and her daughter couldn't afford a new boiler. So I think they would've been keen to have the boiler repaired under the policy.

The fact is that British Gas didn't repair the boiler. And in late November 2017, Ms M complained that British Gas should've repaired it. I haven't seen any evidence that she complained at that stage about delay in providing a quotation for a new boiler.

British Gas should've sent a final response within eight weeks of the complaint. It has sent us a copy of a letter dated late January 2018 saying that it was still investigating. So I find that it didn't send a final response when it should've done. But it did tell Ms M and her daughter of their right to bring the complaint to us.

Ms M and her daughter renewed the policy again in February 2018.

I think the boiler provided heat and hot water until 27 February 2018 when unfortunately it stopped working. British Gas visited that day and a few days later when it said the boiler wasn't safe to use. It again noted a leaking heat exchanger. One of its checklists said not all spare parts were available. The other said they were.

Ms M's daughter complained that it was taking some time to get a quotation for a new boiler. But I don't think I have power to make any findings about that – as it was outside the

insurance policy. I've seen a quotation dated 5 March for about £1,800.00. But Ms M didn't accept the quotation.

The weather was cold. Ms M and her daughter had to chase British Gas for a response. I've noted Ms M's blood pressure test result on 22 March 2018.

On 26 March Ms M rang British Gas and found the call-handler rude. British Gas hasn't provided us with a call recording. But it has said he could've shown more empathy. So I find that there were shortcomings in the way the call-handler communicated.

But the call-handler offered £190.00 off the quotation for a new boiler. And he passed the complaint to a technical team which arranged another inspection of the boiler.

British Gas said it was sending Ms M a cheque for about £162.00 in part-refund of her monthly payments, plus £250.00 for distress and inconvenience. But that was before one of its engineers re-assessed the boiler during two visits at the end of April.

From the checklists, I think the engineer replaced the condensate trap and a gas valve. I haven't seen any record that he replaced the heat exchanger. One of the two checklists says that not all spare parts spare parts were available. The other said they were.

British Gas repaired the boiler on 30 April 2018. And – crucially - I don't think British Gas has given a satisfactory reason why it didn't fix it in October 2017 or at least March 2018. So I think it should've done.

I've thought about how its poor communication and delays have affected Ms M and her daughter.

I've seen some doctor's letters. But they were long after April. I have noted what she has said about her hernia repair. But Mrs M hasn't provided any letter or report from a doctor who has treated her.

So I haven't seen enough medical opinion evidence to show that – by the shortcomings in its service – British Gas made Ms M's medical conditions worse than they otherwise would've been.

I've seen some of Ms M's energy bills before and after the problems she had in October 2017 and February 2018. But her daughter's calculations are based on billed amounts rather than actual meter readings of energy consumption. And there was very cold weather into March. So I would've expected increased energy consumption. And I'm not persuaded that - by the shortcomings in its service – British Gas caused Ms M or her daughter an identifiable increase in energy costs.

I've thought about what I would've awarded as compensation if British Gas hadn't sent its cheque for £162.00 and £250.00. I wouldn't have ordered it to refund instalments of premium – because in the end Ms M and her daughter had some benefit from the insurance cover.

But I would've awarded more compensation for the distress and inconvenience suffered by Ms M and her daughter.

Ms M and her daughter must've felt that British Gas ignored their complaint. And they were left without central heating and hot water for two months. That meant they had to heat water

in the kitchen and carry it upstairs to wash. They must've been concerned for the well-being of each other and the child.

So I don't think British Gas went far enough by its cheque for about £412.00. I find £700.00 fair and reasonable for distress and inconvenience. Ms M has said she hadn't cashed the cheque. So I will direct British Gas to pay Ms M and her daughter (jointly) £700.00 insofar as it hasn't already paid that amount.

my final decision

For the reasons I've explained, my final decision is that I uphold this complaint. I direct British Gas Insurance Limited to pay Ms M and her daughter (jointly) £700.00 insofar as it hasn't already paid that amount.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M and her daughter to accept or reject my decision before 28 February 2019.

Christopher Gilbert
ombudsman