

complaint

Messrs D have bought a complaint about the handling of a central heating insurance policy with British Gas Insurance Limited.

The complaint has been brought in joint names but for ease of reading, I will refer to Mr D throughout.

background

I issued a provisional decision on this matter earlier this month, the main part of which is copied below:

“Mr D contacted British Gas, as his boiler had broken down. An engineer attended on 29 May 2018 and found the boiler had been flooded following some severe weather. The engineer said that this wasn’t covered by the policy and any repair would need to be paid for by Mr D. He said it had happened because the condensing pipe for the boiler had incorrectly been connected to a rainwater pipe. There was some heavy rainfall which had then caused the boiler to flood, causing damage to some of the components.

The engineer returned on 30 May 2018 and reconfirmed the diagnosis and provided a quote for the repairs but also advised there was no guarantee it would resolve the problem and recommended a new boiler at a cost of over £3,500.

Mr D was unhappy with this. He thought this should be covered by the policy and in any event, British Gas should have noticed the problem with the way the pipes had been fitted when it attended to carry out annual services on his boiler each year.

Mr D has now had the work required to repair the boiler done privately (replacement of PCB, fan and gas valve) and wants the cost reimbursed. British Gas had apparently quoted around £750 for the work required and told Mr D it would not guarantee that it would repair the boiler and he might need to replace it. He is very unhappy with the service provided and says British Gas was pushing him to buy a new boiler. He was also without heating and hot water for around two weeks and his father was recovering from major surgery.

British Gas doesn’t accept that it has done anything wrong. It says the work isn’t covered under the policy, which excludes claims resulting from extreme weather and flooding; and would not have been noticed during an annual service, which is intended to check that the boiler is operating safely. British Gas did, however, offer Mr D £50.00 compensation as a gesture of goodwill for the time Mr D was without heating and hot water.

One of our adjudicators looked into the matter and concluded that British Gas should have identified the fact that the boiler had not been installed properly. However, the policy excludes pre-existing faults not caused by British Gas. The adjudicator therefore considered that as the work to rectify the incorrect pipework would not have been covered, even if it had been identified earlier, he didn’t recommend that British Gas pay for the repairs.

However, the adjudicator did think that if British Gas had identified the problem, it would have given Mr D the opportunity to have it rectified and the breakdown would not have happened. If this had happened, then Mr D and his family would have been spared the inconvenience of their boiler not working for the time taken to carry out the repairs. The

adjudicator therefore recommended that British Gas pay £200 compensation for this (in addition to the £50 already offered).

British Gas doesn't accept the adjudicator's assessment. It says that the condensate pipe is outside the property and would not be checked during a routine service visit.

my findings

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

British Gas has said that the annual service visit is simply to check the boiler is operating safely and it is not reasonable to expect its engineers to have spotted the problem with the condensate pipe.

The Gas Safe Register explains that an annual service would include a safety check but also:

"a full check of a gas appliance and the engineer is likely to take the appliance apart to inspect it. The engineer will assess the physical condition of the appliance, installation pipework, air vents and any flues for deterioration. They will carry out performance tests and take any necessary remedial action."

Mr D's engineer also confirmed that it would have been expected to check this during an annual service.

I therefore agree that British Gas should have identified the problem with the condensate pipe during any one of the annual services that it carried out in the years before the boiler broke down. I also agree that if it had done so, it's likely Mr D would have had it rectified which would have avoided the breakdown of the boiler and the resulting distress and inconvenience. It also would have meant that the components of the boiler that needed replacing would not have been damaged and so I consider British Gas should reimburse the cost of those repairs.

While the policy wouldn't require British Gas to pay for moving the condensate pipe, and also excludes cover for damage caused by extreme weather, I consider it should reimburse Mr D for these repairs. I say this because if it had told him about the problem with the condensate pipe, I have no reason to believe he would not have paid to have that rectified and if this had happened, the boiler would not have been affected by the heavy rain and the damage to the components would not have happened. I am aware that the other service provider repaired the boiler under a fixed fee arrangement that also included six months insurance cover. The cost was £49.98 per month for six months – i.e. £299.88 for the repair and six months cover. As it was a combined set price, the service provider is unable to breakdown the amount that was just for the repair. The amount paid by Mr D is considerably less than British Gas quoted for the work. So while that service provider is not able to provide a breakdown of the cost of individual parts, I consider British Gas should pay Mr D the amount he paid in total.

I also consider that the additional £200 compensation recommended by the adjudicator is appropriate, given that he was without heating and hot water for around two weeks until he could get the repairs done privately, and having consideration of his father's medical condition and age.

my provisional decision

I uphold this complaint against British Gas Insurance Limited and require it to pay Mr and Mr D:

- *£299.88 as reimbursement of the repair costs; and*
- *£200 compensation for the distress and inconvenience caused by its handling of his claim. (This is in addition to any compensation already offered and/or paid.)"*

responses to my provisional decision

I invited both parties to respond to my provisional decision with any further information or arguments they want considered.

Mr D has confirmed he accepts my provisional decision and has not added anything further.

British Gas does not accept my provisional decision. It says the repair work required was not covered by the policy and so it doesn't agree it should pay those costs. It didn't install the boiler and it doesn't cover pre-existing faults.

my findings

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

British Gas has not added any new information. I set out in my provisional decision why I considered that, while British Gas was not responsible for how the condensate pipe was fitted, it should have identified the issue with the pipe and made Mr D aware of it, at any one of the many service visits it carried out. Evidence was provided that would support that this should have been checked at those visits. If it had done so, Mr D could have had it rectified and the subsequent water damage to parts of the boiler would not have happened. It is not therefore relevant whether the repairs would be covered by the policy but rather that they would not have been necessary had British Gas carried out its obligations to Mr D properly.

It is for this reason that I considered it should pay for the repairs to the boiler as well as compensation. I remain of that opinion.

final decision

I uphold this complaint against British Gas Insurance Limited and require it to pay Messrs D:

- £299.88 as reimbursement of the repair costs; and
- £200 compensation for the distress and inconvenience caused by its handling of the claim. (This is in addition to any compensation already offered and/or paid.)

Under the rules of the Financial Ombudsman Service, I'm required to ask Messrs D to accept or reject my decision before 1 April 2019.

Harriet McCarthy
ombudsman