

## **complaint**

Ms Y has complained about the way British Gas Insurance Limited handled her claim under her home emergency insurance policy.

## **background**

I issued a provisional decision on 18 April 2019, a copy of which is included at the end of this decision. In this, I set out the background to Ms Y's complaint and explained why I felt British Gas's engineers were to blame for the fact she had to have her boiler replaced much earlier than she was expecting. I provisionally decided that – because of this – it would be fair and reasonable for British Gas to pay half the cost of Ms Y's new boiler.

I gave both parties 14 days to respond to my provisional decision. Ms Y has responded to say she has nothing further to add. British Gas doesn't think my provisional decision is fair. It's pointed out that increased noise following its engineers' visits and the replacement of parts could well have been a coincidence. I think from what it's said previously, British Gas thinks the new parts its engineers fitted made the boiler function at full capacity and this highlighted an issue with the heat exchanger and caused the additional noise. And it's added the fact the boiler manufacturer said the heat exchanger needed replacing shows this is most likely to be the case. It doesn't agree its engineers' actions caused the additional noise the boiler started making.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've decided to uphold it and award the amount I suggested in my provisional decision.

I have thought very carefully about what British Gas has said. However, I don't think the significant noise Ms Y's boiler started making after its engineers carried out work on it was a co-incidence or because of the boiler suddenly started working at full capacity. I say this because there was a new error code after British Gas's engineers got involved and because of what the engineer who installed Ms Y's new boiler said about parts being disturbed. I think these things show its most likely British Gas engineers got it wrong and should have thought more carefully about the impact of what they were doing and been more careful in doing it.

This means I still think it was British Gas' engineers' failings that led to Ms Y having to have her boiler replaced much earlier than she'd expected. And, while I accept she'd have to have had it replaced eventually, I still think the fair and reasonable outcome to this complaint is for British Gas to pay half the cost of Ms Y's new boiler. This means it should pay her a further £1,564.

## **my final decision**

For the reasons set out above, I uphold Ms Y's complaint and British Gas must pay her a further £1,564.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Y to accept or reject my decision before 2 June 2019.

Robert Short  
**ombudsman**

**Copy of my provisional decision**

**complaint**

Ms Y has complained about the way British Gas Insurance Limited handled her claim under her home emergency insurance policy.

**background**

Ms Y had a problem with her boiler. It cut out every so often and showed error code E026. By pressing the reset button she could get the boiler working again, but eventually she got the error again. She called British Gas to ask for help and it arranged for an engineer to attend. This engineer

believed the gas valve and igniter needed to be changed to rectify the error. So she ordered both parts and came back with another engineer to fit them.

Straight after the parts had been fitted the error code occurred again, which meant the problem wasn't fixed. Plus, there was a further problem in that the boiler was now vibrating and making a loud noise. It had made a noise before the engineers had changed the parts, but not a significant one. The engineers ordered a fan, as they felt this was the problem and a third engineer came to fit this. After this was fitted another error code - E02 – appeared. And the boiler still didn't work properly and was still making a loud noise. The third engineer called the boiler manufacturer's technical support team and they said the heat exchanger needed to be replaced. This wasn't possible, as the parts associated with doing this were obsolete.

British Gas offered to fit a new British Gas Boiler at a discount, provided the freeholder of Ms Y's flat would allow the gas pipes to be changed. The freeholder wouldn't allow this, so British Gas said there was nothing more it could do. This left Ms Y with a boiler with two error codes, which vibrated and made a loud noise. She found this very stressful, especially as she could at least get the boiler to work without having the noise prior to British Gas getting involved.

Ms Y made a complaint and British Gas paid £200 in compensation for any distress and inconvenience she'd experienced as a result of the service it had provided.

Ms Y wasn't happy with this and complained to us. One of our investigators looked into her complaint. She initially suggested (on the basis Ms Y's boiler was installed in 2017) British Gas should pay her what it would have cost it to replace her boiler with a British Gas model. She also suggested it should pay her a further £100 in compensation for distress and inconvenience.

Ms Y then pointed out her boiler was actually much older than this. The investigator explained British Gas had told her the boiler was installed in 2017. And she went on to explain that because Ms Y's boiler was over seven years old, British Gas weren't obliged to pay the cost of a replacement. In view of this, she said that the fair and reasonable outcome to the complaint was for British Gas to just pay the further £100 in compensation she'd suggested for distress and inconvenience.

Ms Y wasn't happy about this. She explained that because of what British Gas had done, she now had no option but to have her boiler replaced with a new one, as she couldn't put up with the noise. She had this done at the beginning of February this year. And it cost over £3,000. She's said the engineer who installed her new boiler said the following:

*"From his visual inspection, he found evidence of spillage inside the boiler caused by the exhaust pipe which was disturbed when new parts were fitted by British Gas engineer. He found that there is rust on the clips of the exhaust pipe and one of the clips was broken.... He also found that the white part attached to the exhaust pipe is loose...He said the white part can be removed very easily which shouldn't be. In his opinion, the noise problem is due to the fact that those parts were disturbed when new parts were fitted by British Gas engineers."*

### **my provisional findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've provisionally decided to uphold it.

Under Ms Y's policy British Gas isn't obliged to replace or pay the cost of replacing boilers that can't be repaired if they're over seven years old. Ms Y's boiler was over seven years old, so I don't think British Gas has to pay the cost of her new one as a result of the policy terms. But, I think if it

was British Gas's engineers who made the problem with her boiler worse and caused it to make a noise, she should get appropriate compensation.

Our investigator tried to speak to the engineer who installed Ms Y's new boiler about what he'd said, but she couldn't get hold of him. But, Ms Y has provided some photographs and a video in support of what he said and I see no reason to doubt the fact he said it.

I think this, along with the fact, the boiler wasn't making a significant noise before British Gas got involved, means it's most likely it was British Gas' repairs that caused the boiler to make a significant noise and led to the new error code. No-one else touched the boiler other than British Gas' engineers and I accept there was only one error code and no significant noise before British Gas got involved.

I appreciate British Gas said it thinks the new parts its engineers fitted made the boiler work at full capacity and this is why it started making a noise. But this doesn't explain the new error code and from what the engineer who fitted the new boiler has said, I think this is very unlikely. Also, I think British Gas's engineers should have considered the impact of what they planned to do could be before they went ahead and did it.

From what Ms Y has said and the video she's sent in, I can see why the noise the boiler started making was unbearable. And, I accept this meant she had no option but to have it replaced straight away. This meant she had to pay out over £3,000 when she wasn't planning to do so.

From speaking to Ms Y, I know she thinks British Gas should cover the full cost of her new boiler. But I don't think making British Gas do this would be the fair and reasonable outcome in this case. This is because Ms Y's boiler was quite old and it had an error before British Gas got involved, which was stopping it working and was bad enough for her to call British Gas out. And I still don't know what was causing this error. So, I think the evidence suggests Ms Y's boiler would have needed replacing at some point in the foreseeable future. And that means she'd have had to pay out over £3,000 anyway.

Obviously, it was very frustrating for her to have to pay this out much sooner than she'd planned to, as she may well have just kept resetting the boiler had British Gas told her it couldn't correct the problem. But – I can't ignore the fact that what British Gas's engineers did led to a very large and unexpected expense for Ms Y, when she probably would have carried on with her existing boiler for some time to come.

So, I think what's needed here is a fair and reasonable compromise on both sides. And, I think British Gas paying half the cost of Mrs Y's new boiler, in addition to the £200 it's already paid in compensation, would achieve this. This is because it allows for the fact that Mrs Y's boiler would have needed replacing eventually. But also allows for the fact this is most likely to have happened much earlier due to errors of judgement by British Gas's engineers. And this and the £200 British Gas has already paid also takes into account the distress and inconvenience and financial impact the whole episode has had on Ms Y.

The new boiler cost Mrs Y £3,128. This means I think British Gas should pay her a further £1,564.

### **My provisional decision**

I've provisionally decided to uphold Ms Y's complaint and make British Gas pay her a further £1,564.

Robert Short  
**ombudsman**

