

complaint

Ms C's complaint is about the handling of a central heating and gas appliance insurance policy with British Gas Insurance Limited.

background

I issued a provisional decision on this matter in October 2020, part of which is copied below:

"Ms C has held a policy with British Gas for some years, which includes an annual service of the gas appliances and boiler in her home. In January and February 2019, British Gas attended to service the gas fire. Its engineers deemed the fire to be 'at risk' or dangerous, as they said there was a grill in the flue. The engineers told Ms C she'd need to get a builder out to remove the grill from the chimney and this is not covered under her policy.

Ms C got her own independent gas engineer to look at the fire. He took out the whole fire and said there was no evidence of any grill.

Ms C is very unhappy about this and says British Gas's engineers have told her there was a grill in the flue at several previous service visits. She was told it would be removed by British Gas previously. And as a result of it not issuing her gas safety certificate in January 2019, a student had to move out and she was unable to take other bookings, causing her loss of earnings.

Ms C has also raised a complaint about a number of other issues she has had with British Gas over the last few years. I have issued a decision separately to set out which parts of her complaint we are able to look into. As explained in that decision, some parts of Ms C's complaint are not matters that we can look at.

The issues I am able to consider are:

- 1. the complaint about misdiagnosis of a problem with the gas fire flue and the effect this had on Ms C. She says this has happened at annual services going back to 2016 and she has lost income as a host for foreign students as a result, because she was unable to produce a landlord's gas safety certificate, as required.*
- 2. A complaint that British Gas cut the wire ties which secured the gas fire to the wall, leaving it dangerous and at risk of falling and causing a fire in her home; and*
- 3. at another annual service of the gas fire, British Gas said there were coals missing which meant the fire was at risk. Ms C says the coals had simply been moved by her grandson but this again meant it would not produce the gas safety certificate Ms C needed.*

Ms C says this matter has caused her considerable distress over a number of years. She has asked for a refund of the premiums paid for the policy; the £200 she paid to her engineer; £7,500 for pain and suffering caused by this matter, including not being able to use her gas fire when it was deemed at risk; reimbursement for replacement coals; and around £5,000 for loss of rent since October 2016

British Gas accepts that its engineers made a mistake about there being a grill in the flue; it says it has fed back on this. It offered to reimburse the £200 for Ms C's engineer's costs; refund of the gas appliance cover for the year January 2018 to January 2019 and pay some compensation as recognition of the problems with the overall service provided (this made a

total payment of £375, increased from £350). I understand British Gas sent a cheque for this amount in March/April 2019.

With regard to the wires and the coals for the fire, British Gas says it identified the issues during an annual service of the fire in 2014 but its engineers would not have cut the wires. British Gas says this is something that was likely to have been done at installation, in order to enable an engineer to inspect the chimney and flue with a mirror, without having to remove the fire. It says this is not good practice and its engineers would not service a gas fire this way, as they would always remove the fire when inspecting the chimney/flue. British Gas does however, say this should have been picked up sooner than it was and so agreed to re-fit the wires at no cost Ms C.

With regard to the gas fire coals, British Gas says the fire was classified as "at risk" due to some coals being missing and it arranged for replacement coals as a gesture of goodwill and a replacement Gas Safety Certificate was issued on 27 February 2014. British Gas doesn't agree it is responsible for any delay in being able to issue that certificate and therefore is not responsible for the financial consequences of that delay.

One of our investigators looked into the matter. He said initially that the evidence suggested the student had been asked to move out due to behavioural issues and that British Gas's offer of compensation was reasonable. After receipt of evidence from the college attended by the student, he changed his mind and said that British Gas should reimburse loss of earnings from 4 February to 21 June 2019 (i.e. £3,497.14) plus interest at our usual rate; and pay the £375 already offered.

Neither British Gas nor Ms C accept the investigator's assessment.

Ms C says the investigator is biased and has not considered all the evidence properly. She has made a number of points, which I've summarised below:

- British Gas has been aware of her disabilities for many years, yet it has continued to leave her and her tenants at risk and given her false information. This issue has been ongoing since 30 October 2016.*
- Her relationship and credibility with the colleges has been damaged, as she was not able to offer a 'safe home' to students. She has no other income and this caused her loss of earnings, due to repeated 'at risk' notices addressed to her students and the gas fire being turned off.*
- Only after she was able to get a safety certificate from her own gas engineer in March 2019 was she able to make bookings for students again.*
- The investigator referred to putting her back in the position she was in before this incident, which suggests this was a single incident instead of an ongoing issue.*
- The investigator suggested a letter from the college would help substantiate her claim for loss of earnings for the one student, however he didn't mention the considerable loss of earnings with all the language schools that she was unable to host, during the months she was unable to provide the legally obligated safety certificate. This was never taken into account, even though she proved this by providing confirmed bookings from the various language schools which she would have been able to do with a safety certificate.*
- Ms C also referred to information on British Gas's website which says it will pay compensation for any missed appointments. She says she has reported many missed appointments for repairs to her dishwasher, but always get excuses, or letters, never payments.*

British Gas also does not accept the investigator's assessment. It says Ms C should have arranged for her own engineer to look at the flue sooner, if she knew it was going to result in her student moving out. It says it is not responsible for any consequential losses and its offer is reasonable.

my findings

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

flue

British Gas initially said there was no record of the grill or flue being raised as a problem before January 2019, or of Ms C being told it would carry out any work to remove the grill. However, I have seen copies of job sheets left by British Gas engineers from 2017 and 2018 which show this was raised at various times during that period, and that it had offered to rectify this.

In March 2019, Ms C's own engineer inspected the fire. He said:

"Arrived at property to remove grill from chimney breast on inspection and removal of gas fire found the chimney/flue to be clear throughout its entirety to the terminal. Performed full inspection and service to current regulations."

I understand British Gas accepted that there was never any grill in the flue. It is quite extraordinary that this was misdiagnosed so frequently and nothing done about it. British Gas had offered to remove the grill but this didn't happen. As a consequence of the misdiagnosis, British Gas wrongly told Ms C that her fire was at risk, which prevented the production of her landlord's safety certificates.

I agree that compensation for the trouble this caused is appropriate. I can also consider Ms C's claim for financial loss as a result of this. In order to require British Gas to reimburse any financial loss, however, I have to be satisfied that any such loss arose solely and directly as a result of British Gas's wrongdoing.

Ms C says she lets out rooms to foreign language students via various colleges. She says she lost income as a result of the problems with British Gas in 2016 onwards. However, there is no documentary evidence to support any such losses. Ms C has provided details of bookings but no convincing evidence of lost bookings or a refusal to book her in 2016, 2017 or 2018, due to this. And she has confirmed she was always able to produce the gas safety certificate to the colleges for the previous years.

Ms C also says a student that was meant to stay with her for a few months from January 2019 had to move out in February 2019, as a result of not having the safety certificate and she lost other income in the following months also.

Ms C has sent a copy of her rental agreement which stipulates that gas safety certificates are required. She has also provided confirmation for a booking for one student from 28 January to 21 June 2019. The student apparently duly arrived on 28 January 2019 and moved out on 4 February 2019. (Elsewhere Ms C has referred to him being there from 23 January 2019 and there is a plane ticket/itinerary for him arriving in the UK on 23 January 2019 but I don't think the date he arrived at Ms C's property to be critical.) Ms C wants the

loss of rent for the remaining period from 4 February to 21 June 2019.

*The student was only there for a short time (a week according to the documentation but possibly up to 13 days) and there were apparently behavioural issues during that time. In an email to us dated 21 June 2019, Ms C said the student "moved out 04/02/2019. * two reasons:*

1. I was unable to supply the School with a complete Landlords Safety Certificate, as there was an on-going dispute over the so-called 'grille' in the flue, therefore I was concerned I was in breach of my legal contractual obligations. The following morning, on 05/02/2019 during my Landlords Gas Safety Inspection & Check by British Gas, it was clearly confirmed that I was in fact in breach of my contract with ALL the Language Schools, as it was printed clearly that "the grille" in chimney was at Risk and the Gas supply was TURNED OFF. & a WARNING NOTICE WAS LEFT ON MY GAS FIRE. I was legally obligated to inform the Schools.

2. As his suite had a lounge area, and the fire in the main Lounge was 'turned off', he chose to return each day after school to go to his own centrally heated suite, where he had the privacy and comfort of an additional electric wall heater and comfortable Lounge area.

I do not allow smoking in any of the bedrooms, or common areas, yet I found clear evidence over the time [he] ... was in my home, he smoked in his room... He was warned numerous times, before I reported his actions to the school, yet ...[he] continued to smoke and burned holes through his bedding, on his mezzanine floor above. He was obviously 'under the influence ', leaving lit cigarette ends everywhere and therefore damaged additional furniture in his room. He was effectively a 'fire risk', smoking 'pot' in his room, and burning incense attempting to masque the aroma. I do have smoke alarms, but only in the common areas.

These are the two reasons ... [he] moved out of my home early. I have zero tolerance for alcohol & or drug abuse, especially in my own home, considering I have full responsibility to monitor everyone in my care, especially under age students from various Countries during their stay in my home. These children are easily influenced, and vulnerable".

Ms C also says "had [student name] taken heed of my initial warning of no drugs or alcohol in my home, he would have stayed with me from Jan 23rd 2019 – June 1st 2019, as per the original booking, at £728.00 per month".

After a request from the investigator, for corroboration of her claim for loss of earnings, Ms C produced a letter from the college that had booked in this student, which said that if it were not for the problem with the gas safety certificate the student would have stayed with Ms C until end of May 2019. The letter from the college, says that the behaviour issues had been worked through with the student:

"As a[n] ... accredited language centre, it is imperative that we maintain strict adherence to policies, in particular with regards to safety in our linked accommodation. Following the failure of the Annual Landlords Gas Safety Certificate in February, Ms. C... informed us and we had no option but to remove the student from Ms. C's residence in order not to jeopardise our accreditation."

However, there is no contemporaneous evidence of any discussion or correspondence around the decision that the student leave. In my opinion, Ms C's earlier communications

about this suggest that the student's behaviour was a more significant factor in the decision for him to leave.

There is therefore some doubt in my mind about this, given what Ms C told us previously about why the student left her home. When also considering the timing of the events, it casts further doubt on the safety notice being the sole or even overriding reason why he left.

British Gas attended on 30 January 2019 to service the gas fire, boiler and gas cooker. The job sheets left with Ms C say that all three passed. But there was also a safety warning notice that fire was at risk and had been turned off with permission. Ms C says (in an email to British Gas dated 3 February 2019) she received the gas safety certificate which said the gas fire had not passed online on 2 February 2019. She queried this in the email, as the engineer had apparently told her all was okay when he attended on 30 January 2019, so he came back out on 5 February 2019 and again said the flue had a grill in it. So on 4 February 2019, which is the day the student moved out, the situation was being looked into further and another appointment made for 5 February 2019; and it was on this date (the day after the student moved out) that Ms C says British Gas confirmed her fire was at risk and she was legally obliged to tell the colleges.

While I accept entirely that it is a condition of Ms C's contract with the language schools to have a valid gas safety certificate in place, I am not persuaded having taken into account everything Ms C has said and all the evidence available, that this was the sole or overriding cause of the loss of income from this student was solely a result of the errors by British Gas.

Ms C also says this meant she could not make any advance bookings for any other students. She has provided confirmations of several bookings for the months after this (for May, June, July and August 2019). However, there's no evidence these were adversely affected or that she was prevented from taking any other bookings as a result of damage to her reputation.

Ms C says that no other confirmed bookings were made by the same language school but there's no convincing evidence as to why, and I note there is evidence of a further booking from them in June 2019). I do not therefore intend to make any award for loss of earnings.

Ms C arranged for her own engineer to attend on 20 March 2019. He confirmed ...[the fire] was safe and she was able to provide [the certificate he provided] ... to the colleges, as required under her contract with them. She makes the point that if she had relied on British Gas this would have gone on longer but it didn't and she also has an obligation to mitigate her losses. She acted reasonably and had it looked at but I have to look at the actual effect on her. While it was her own gas engineer and not British Gas that issued the Safety Certificate, it is still the date of that certificate that is relevant. Ms C had the certificate required in March 2019 and so I can't see any link between what British Gas did and any issue with these bookings.

I do, however, accept that this issue caused frustration, anxiety and inconvenience to Ms C over a considerable time. In addition, Ms C had to get her own engineer to check the fire. I therefore agree that British Gas should reimburse the engineer's costs of £200. I also consider it should pay some compensation for the trouble caused by the repeatedly incorrect assertion there was a problem with the flue and the trouble this caused. Ms C had to arrange additional avoidable appointments to resolve this issue each time, would have been caused anxiety about the safety of her fire and had to arrange her own engineer to look at it. All this was unnecessary. I consider that the sum of £500 is appropriate.

gas fire – wall ties and coals

In 2014 the gas fire was also deemed to be unsafe as there were coals missing and the wire connecting ties had been cut. I understand British Gas did replace the wires around three months later. It says this was as a gesture of goodwill and its engineers would not have cut the ties. British Gas says this was likely to have been done when the fire was installed.

One of the job sheets from British Gas says “retaining wires cut short” which suggests they were too short to then get the fire out, rather than that they had been found cut. It also seems unlikely to me that anyone else cut the wires since installation, given it was apparently installed 20 years earlier and Ms C has had cover with Ms C throughout. Given the repeated incorrect diagnosis of a grill in the flue, it casts some doubt on British Gas’s engineer’s credibility. And even if they did not cut them, this would have to have been missed every time the fire was serviced. British Gas has said its engineers would have removed the fire at every annual service, in order to inspect the chimney and flue. So, even if the wires had been cut at installation (which I do not accept) British Gas failed to notice this and left the fire in an unsafe condition, at risk of falling away from the wall and causing a fire over several years.

Ms C was unaware of this at the time, but I understand it would have caused her some anxiety. I consider that £300 should be paid as compensation for this.

Ms C also says that her engineer ordered a new fire bed and coals which should have been provided by British Gas. I have not seen any convincing reason why British Gas needed to replace these, as Ms C says the coals were never missing, as her grandson had simply moved them. However, I consider that a further £75 compensation is appropriate for the deeming this to be unsafe when the coals were not missing.

compensation

I can see that Ms C has had a long ordeal with British Gas regarding the gas fire, as well as her boiler leaks etc. While I can’t look at the boiler leaks in the context of this complaint, the compensation I have provisionally determined is appropriate does take account of the fact the issues I’m considering in this decision came on top of those previous issues and so would have been all the more frustrating as a result. The service provided to Ms C overall, has not been anywhere near the standard it should have been over a considerable time.

I have set out above the compensation I consider is appropriate to reflect the trouble caused by the issues I am looking at in this decision. Overall, I have determined that the total sum of £875 is appropriate, together with the refund of the gas appliance cover premium for the year January 2018 to January 2019; and reimbursement of Ms C’s engineer’s costs.

The information provided by Ms C in relation to compensation paid for missed appointments is referring to British Gas as a gas supplier – not British Gas Insurance Limited.

I know that Ms C will be disappointed with this decision, having already received a recommendation from the investigator that she should receive some of her lost rent. However, both parties are entitled to appeal to an ombudsman – the final stage in our process – and it is my role to review the matter afresh and make my own decision as to the appropriate outcome.

my provisional decision

I intend to uphold this complaint against British Gas Insurance Limited and require it to pay Ms C:

- *£200 in reimbursement of her gas engineer's costs, together with interest at 8% simple per annum from the date she paid his bill to the date of reimbursement;*
- *refund a year's premium for the gas appliance cover (approximately £125 plus £15 for the gas safety certificate); and*
- *pay £875 compensation for the distress and inconvenience caused by its handling of this matter."*

responses to my provisional decision

British Gas has confirmed it accepts my provisional decision and has nothing further to add.

Ms C does not accept my provisional decision. She has made a number of further submissions, which I've summarised below:

- British Gas sent a letter addressed to "*the tenant*" at her address dated 1 February 2019, which said there was a gas appliance at the property which was unsafe. The student reported this to the college on 1 February 2019 and the college therefore removed him from her home.
- The policy makes clear she could void the policy if she got anyone else to work on the appliances.
- Her contractor only provided her with the full Gas Safety Certificate on 20 March 2019, which she immediately passed onto the language schools. However, by this time all the students were allocated to other host families. Her first confirmed bookings after February 2019 were in mid June 2019 and these were made within two weeks of being able to provide the safety certificate after her gas engineer.
- When British Gas attended again on 5 February 2019, the engineer told her there was definitely a grill in the flue and this could trap any fallen birds or debris, which would immediately catch light when the fire was used.
- British Gas had also left her with a fire that was at risk of falling forward and also causing a fire in her home (as a result of the cut wires). The compensation proposed does not reflect the serious concern about her and her family living in a home at serious risk of fire. She has several medical conditions which mean she would not hear a fire alarm from her bedroom and so was at particular risk.
- The misdiagnosis of the grill in the flue first happened in 2013. It did not happen only in January and February 2019.
- British Gas's negligence has resulted in extensive collateral damage every year since 2013/2014, and years of torment to her, which could all have been avoided.
- British Gas sent her a cheque for the compensation it offered (which was not really £375 but amounted to just over £60 once she had paid her engineer and other costs) even though she had rejected the offer. Is this legally allowed?
- British Gas also refunded a year's premium for the fire because it was not gas council registered – this has never been mentioned before and if it needed council registration, she should have been told before.
- British Gas admits it identified the wires were cut during the annual service visit in 2014 and that it should have been picked up sooner. It took British Gas three months to fix these wires which were urgently required. This proves the haphazard way it deals with urgent complaints.

- With reference to the compensation for missed appointments, British Gas does not supply her gas or electric. British Gas insurance has only paid £10.00 in total for each missed appointments, (not the £30.00 per missed appointment, as promised in its literature). She still has three un-cashed cheques for this that she also rejected.

Ms C still considers she should be awarded considerably higher compensation and has asked for just over £9,500, to include: £3,520 loss of earnings (in relation to the student that left in February 2019); £1,260 for loss of future bookings between 4 February 2019 and 20 March 2019; and £4,000 for her time and suffering; and a refund the gas fire premiums paid between 2014 and 2019.

Ms C has also raised a complaint about the way her premium has increased over the years and that the same cover is currently advertised for considerably less than she is paying. Also British Gas has been charging her for annual service costs of the new boiler which came with a five year warranty. She has estimated she is paying around double what she should have been for several years and received a poor service. I can't address these issues in this decision, as they have not been raised before. Ms C will need to make a separate complaint to British Gas about this.

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.

In response to my provisional decision, Ms C says the letter sent by British Gas addressed to *"the tenant"* at her address *"sent panic to the students in my care, living in my home"* (which suggests there was more than one student staying with her at the time) and the student staying with her from January 2019 reported her to the language school, as a result of receiving that letter:

"The facts are, on Friday 1 February 2019 [X] ... reported me to the school, as I mentioned in my previous emails. The School contacted me the same day to clarify the situation. I confirmed that a British Gas engineer was due to return on the 5 February 2019, to finally rectify the situation, but unfortunately, that was too late. The School later informed me that they had to abide by the strict government rules, that I knew I had no choice but to accept. The School confirmed [X] ... would be found alternative accommodation, therefore he would be moved out of my home, to another family at 7pm on 04/02/2019."

This is new evidence as it has not been stated before that any student staying with Ms C read the letter from British Gas or that any student informed the college of the situation on 1 February 2019. However, it is not consistent with the other evidence previously provided about when the student left and why he left Ms C's home.

Ms C told us in previous correspondence that it was after the British Gas visit on 5 February 2019 that the fire was confirmed to be at risk and she was then obliged to tell the colleges.

And the college's letter provided following the investigator's initial assessment says Ms C reported the issue with the fire, not the student: *"following the failure of the Annual Landlord's Gas Safety Certificate in February, Ms[C] ... informed us and we had no option but to remove the student"*.

The letter from the college also doesn't specify the date it was told about the gas fire issue, only saying February 2019. So it does not establish that the matter was reported to it on 1 February, instead of 5 February 2019 (after the student had already left) as Ms C has stated in other correspondence.

In addition, I note the letter from British Gas was dated 1 February 2019 and was apparently sent by post, rather than email, so would not have arrived at Ms C's property until some time later. (I also note 1 February 2019 was a Friday.) It seems unlikely to me therefore that the student reported the matter to the college on 1 February 2019, and more likely Ms C told the college on, or after, 5 February 2019 as she has previously said.

I also note again that there is a lack of any contemporaneous evidence about the circumstances in which the student left 4 February 2019. I would have expected some written communication between Ms C and the college to have been exchanged at the time.

Having considered everything again (including Ms C's earlier correspondence which said the student could have stayed with her had he heeded her warnings about the use of drugs and alcohol in her home;) I am still not persuaded the student left Ms C's home solely as a result of the misdiagnosis of the safety of the gas fire.

Ms C has also said the misdiagnosis about the flue started in 2013 and she has provided a letter from one of the language schools she works with, dated October 2020, which says that every host family has to meet certain criteria, including having gas safety certificates and that a student will be immediately removed if any criteria are not met. It also says Ms C is a well-liked and respected host and *"Our school were very surprised to find over the recent years that Ms C... was unfortunately delayed in providing us with the legally required Landlords Gas Safety Certificates"*.

However, this letter does not prove any cancelled or failed bookings as a direct result and so does not prove any loss of earnings for any particular period. And there's no other evidence of any lost earnings.

In addition to the inconsistencies about the evidence provided as set out above and in my provisional decision, it also appears that if the gas fire was not used, then there was no risk. While it may have been inconvenient not to have that source of heating, Ms C could have agreed not to use the fire until it was confirmed to be safe and her gas certificate issued, rather than lose rental income.

I therefore see no reason to change my provisional findings that British Gas is not required to make any payment for loss of earnings. I also remain of the opinion that compensation is warranted, in addition to reimbursement of a year's premiums and Ms C's engineer's costs of £200, for the trouble caused to Ms C by the repeated misdiagnosis of the safety of the gas fire flue, the coils and for the cut tension wires.

Ms C has said she should receive considerably more than I proposed, as she says she has had years of torment from British Gas and it has put her at risk.

As set out in my provisional decision, I can see this has been a long saga for Ms C, which has caused considerable distress and inconvenience, including in relation to the safety of her fire. This was also entirely avoidable and solely due to failures on the part of British Gas. I remain of the opinion that £500 is appropriate in relation to the misdiagnosis regarding the

flue and £375 is appropriate for the tension wires and coals. This is a total of £875 compensation and is in line with other awards made by this service.

British Gas also offered to refund a year's premium for the gas appliance cover in its final response letter. It did so in recognition of the poor service received and referred to the fire not being gas council registered. I assume this was a typographical error, as the fire does not need to be gas council registered. I think it refers to not have a gas safety certificate.

Ms C has also referred again to British Gas's promotional literature stating it will pay compensation of £30 for each missed appointment. I am not aware of any pledge to pay £30 for missed appointments in relation to its insurance provision. (There is, however, a requirement to pay £30 for each missed appointment as a utilities supplier.) I am not therefore persuaded that this is relevant to this complaint.

Ms C has said she has received cheques for missed appointments in relation to a dishwasher repair, which she has not cashed and that British Gas sent her a cheque for the compensation offered in this case. There is nothing untoward about British Gas sending a cheque before a final resolution of the complaint. Ms C could have accepted it as an interim payment pending resolution of her complaint with us. Ms C can also accept the cheques for missed appointments and continue a complaint about that issue, if she wishes. She would just need to make clear that they are not accepted in full and final settlement of any complaint. (She can ask British Gas to reissue them, if they have expired.)

my final decision

I uphold this complaint against British Gas Insurance Limited and require it to pay Ms C:

- £200 in reimbursement of her gas engineer's costs, together with interest at 8% simple per annum from the date she paid his bill to the date of reimbursement;
- refund a year's premium for the gas appliance cover (approximately £125 plus £15 for the gas safety certificate); and
- pay £875 compensation for the distress and inconvenience caused by its handling of this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 17 December 2020.

Harriet McCarthy
ombudsman