

complaint

Mr D is unhappy British Gas Insurance Limited (British Gas) hasn't compensated him for the new boiler he needed to purchase and have fitted. He feels British Gas should compensate him for this under his HomeCare insurance policy.

background

Mr D has a home emergency insurance policy in place to cover repairs to the boiler and its controls at a property he owns and rents out. This policy also includes a yearly service to the boiler, to make sure this is running effectively.

Over the past few years the boiler at his property has broken down – and so British Gas had needed to attend to fix the problem. When various engineers attended the property they noted the system contained sludge – and so advised a Powerflush was needed to restore the system properly. Mr D didn't have a Powerflush carried out. And in 2018 the boiler broke down, and needed to be replaced.

Both parties agreed that it was the build-up of sludge in the system that caused the damage to the boiler, and meant it needed to be replaced. British Gas said that damage caused by a build-up of sludge in the system wasn't covered by Mr D's insurance policy. And it said it had repeatedly told Mr D since early 2011 that a Powerflush was needed.

Mr D has explained that although he didn't have a Powerflush completed, in June 2011 he'd purchased and British Gas fitted a Magna filter to the boiler instead. He noted this filter was designed to collect any sludge building up in the system.

Mr D said this filter wasn't checked and cleaned by British Gas as he would've expected it to have been. He felt the filter should have been checked by British Gas to ensure it was working properly and was cleaned of sludge – both during annual services, and when breakdowns were reported to it. Mr D felt British Gas' failure to check and clean this resulted in the boiler breaking down and needing to be replaced. So, he wants British Gas to compensate him for the new boiler he needed to purchase.

British Gas confirmed that during visits to Mr D's property it didn't check or clean the magna filter. It said its engineers wouldn't have necessarily known a filter was present, so they wouldn't have automatically carried out any work on this. It said Mr D would have been able to ask the attending engineers to have a look at and clean the filter if he wanted this done.

British Gas did say it had given Mr D incorrect information on one occasion – when one of its engineers incorrectly told Mr D a Powerflush wasn't needed. It also recognised there were two occasions when it should have returned Mr D's calls, but didn't. So, it offered Mr D an amount of £150 compensation as a gesture of goodwill for these problems.

Our investigator reviewed this complaint and didn't think it should be upheld. He said that based on the terms and conditions of Mr D's policy it has acted correctly in declining Mr D's claim. Our investigator also thought that even if British Gas had looked at and cleaned the magna filter when it has visited Mr D's property the boiler would have still broken down and needed replacing. He noted sludge had been building up in the central heating system before the magna filter was fitted. He also felt the £150 compensation British Gas had offered Mr D was reasonable.

Mr D disagreed with our investigator's opinion. He said that the magna filter would have caught any sludge in the system. So, if had British Gas had checked and cleaned out the filter on subsequent call outs the damage to the boiler wouldn't have happened.

As Mr D disagreed with our investigator's view this complaint has been referred to me to decide.

I sent a provisional decision to Mr D and British Gas on 6 March 2019. In this I said;

'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'm not intending on upholding this complaint.'

I've reviewed Mr D's policy documents to see what cover his policy provides. I'm aware it provides cover for repairing the boiler and its controls. And, in certain circumstances it provides cover for a replacement boiler.

All parties agree the boiler at Mr D's property couldn't be repaired. So, I've looked to see whether in these circumstances the policy provided cover to replace the boiler. The policy explains it will provide a replacement boiler if;

- 'it's less than seven years old*
- Or it's between seven and ten years old, we installed it, and it's been continuously covered by British Gas under either a warranty or HomeCare agreement.'*
- Or it caught fire or exploded, providing you gave us access to carry out your **annual service** every year since we first covered you.'*

It's my understanding that the boiler in this case was around 11 years old. And it wasn't damaged by fire. So, I'm satisfied the policy doesn't provide cover for replacing the boiler at Mr D's property in this case.

But, even if the boiler was newer than this the policy also specifically excludes

*'Damage caused by limescale, **sludge** or other debris, if we've told you before that you need to carry out **repairs**, improvements or a **British Gas Powerflush**, or a similar process, but you haven't done so.'*

It is agreed in this case that British Gas had recommended a Powerflush was carried out on the heating system from 2011 onwards, and this wasn't completed. And the damage to the boiler was as a result of the build-up of sludge. So, I'm satisfied that Mr D's claim is excluded as a result of this term of the policy too.

Given the above, I'm satisfied British Gas correctly declined Mr D's claim, based on the terms and conditions of Mr D's policy.

But Mr D has said that British Gas' lack of action in servicing and cleaning the magna filter he had installed caused the breakdown of the boiler. So, he feels it should pay to replace it. He has explained that in June 2011, on the recommendation of British Gas, he had a magna filter fitted to the system. But he said British Gas hadn't checked this filter since it was fitted – either as part of the annual services it carried out on the boiler, or when it was called to the property when there were breakdowns with the system. He said that if British Gas had checked and emptied the filter the damage wouldn't have occurred.

I've thought carefully about this. And I think that British Gas could have provided a better service to Mr D. British Gas said Mr D would have needed to ask it to look at and clean out the filter when it visited the property. But, Mr D doesn't occupy the property – it is tenanted – so he wouldn't have been present at all of the visits with British Gas to ask for this to be done.

And as it was British Gas that fitted the Magna filter, I think it should have been aware there was one fitted to the system. Given this I'm satisfied it would have been reasonable for British Gas to have checked and emptied the filter when it visited Mr D's property, particularly when it was visiting the property because of a breakdown in the heating system.

But, whilst I think it could've provided a better service to Mr D in this respect, the evidence I've been provided shows it's likely the problem with the heating system would've occurred anyway. Even if British Gas had cleared and emptied the filter from time to time. So, I don't intend on requiring British Gas to reimburse Mr D for the new boiler he had to purchase. It's actions didn't cause the boiler to break down.

I've reviewed the job history notes for Mr D's property. From looking at these it's clear the system at Mr D's property was suffering from a build-up of sludge – and British Gas advised Mr D a Powerflush was needed on a number of occasions – starting in 2011. In 2017 British Gas did further let Mr D know there was a heavy build-up of sludge in the system. But the recommendation to carry out a Powerflush wasn't acted on.

Mr D did purchase and have a magna filter installed on the system in June 2011 instead. British Gas has said that a magna filter is designed to keep the central heating system free from particles – so that it maintains maximum efficiency. And it would be able to 'clean particles from a mildly soiled central heating system.'

But it has also said that 'if a system is heavily sludged the filter will not cope and either block or go into a by pass mode allowing particulates to pass through/no filtration. Cleaning the filter on a heavily sludged system would have no effect as once cleaned the filter could block or go into by pass within minutes or hours.'

I have no reason to doubt British Gas' explanation of how the magna filter works, or what the magna filter could cope with. The job history shows sludge had been an issue within the system since 2011. As the magna filter would be able to pick up some sludge, but, wouldn't have been able to cope with a heavily sludged system I don't think the cleaning of the filter from time to time would have stopped the breakdown of the boiler. So, I don't intend on requiring British Gas to compensate Mr D for the new boiler he needed to purchase and fit.

Mr D has said the expert that fitted the new boiler didn't complete a Powerflush – and said one wasn't needed. But, Mr D hasn't provided any evidence to show the fault in the boiler wasn't due to a build-up of sludge, or that if he had a Powerflush carried out as recommended it wouldn't have stopped the breakdown. So, I don't think this makes a difference to the outcome of this case.

British Gas has offered Mr D an amount of £150 compensation – because it provided some incorrect information to him, didn't call him back when it should have, and wasn't able to replace the boiler at the property for some months after he had broken down. So, Mr D needed to get his own contractor to carry out the work. I've thought about whether this level of compensation is fair, for the trouble and upset these issues caused Mr D. And I think it is.

I can understand how these issues would've been frustrating and inconvenient for Mr D, and I'm satisfied the £150 offered fairly reflects this upset. So, I'm not intending on requiring it to do anything more here.'

Both parties were sent my provisional decision. British Gas hasn't made any further comments, or provided any new evidence on the matter. Mr D responded and said he didn't agree.

He said;

- he has had Homecare agreements on other properties over the years, and he noticed recommending a power-flush appears to be a standard response when a system breaks down or is running poorly.
- on this particular property when he had recently installed the boiler he said an engineer had said his boiler was 10 years old, but this wasn't the case. Mr D said he had told British Gas this. But nothing was done to correct the issue, and British Gas recommended a power flush from that point forward.
- if there were problems with sludge in the system in 2011 he asked how the boiler had continued to work, until 2018.
- the engineer that fitted a new boiler at the property did so without a Powerflush, and instead completed a 'clean through.' Mr D said the boiler is working fine now.
- that the magna filter should have been cleaned as part of the annual service, but this wasn't done. Mr G also said he had called British Gas recently and told it he was looking to take out HomeCare agreement, and that he recently had a magna-filter fitted. He said he was told by British Gas that cleaning this magna filter would be completed a part of the annual service.

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 this, I've decided not to uphold this complaint, for the same reasons as detailed in my provisional decision.

Mr D has said he has had a number of HomeCare agreements over the years – and has noticed powerflushes regularly being recommended. I can't comment on any problems Mr D has had with previous boilers. I can only comment on the evidence in this case. And the job history for Mr D's property does note a Powerflush was recommended to Mr D on a number of occasions, regardless of the age of the boiler. And this was recommended because engineers had found the heating system to be full of sludge. So, I'm satisfied British Gas' advice was fair in this case, based on its visits. And both parties accept that in this case the damage to the boiler was due to a build-up of sludge, after a Powerflush was advised – which isn't covered under Mr D's policy.

Mr D has said the expert that fitted the new boiler didn't complete a Powerflush – and said one wasn't needed. But, Mr D hasn't provided any evidence to show the fault in the boiler wasn't due to a build-up of sludge, or that if he had a Powerflush carried out as

recommended it wouldn't have stopped the breakdown. So, as detailed in my provisional decision I don't think this makes a difference to the outcome of this case.

Mr D has said he feels the magna filter British Gas installed at his property should have been cleaned as part of the annual service on the boiler. And that this information had been reinforced when he recently called British Gas, as it confirmed this was the case. I haven't listened to this telephone call between Mr D and the British Gas representative. But, I don't think I need to. I say this because I do agree that British Gas could have provided a better service to Mr D. And I accept it should have cleaned the magna filter as part of the annual service.

But, as discussed in my provisional decision, I don't think this makes a difference to the outcome of this complaint. I think it's likely the problems with the heating system would have happened even if the magna filter had been cleaned each year. Based on the evidence provided, I'm satisfied the job history does show sludge had been an issue in the system since before the magna filter was fitted. And, the evidence provided suggests the magna filter would not have been able to cope with an already heavily sludged system, even if it had been cleaned regularly. So, if British Gas had cleaned the magna filter, it wouldn't have stopped the breakdown of the boiler. So, I don't require British Gas to compensate Mr D for the new boiler he needed to purchase.

my final decision

Given the above, my final decision is that I don't uphold require British Gas Insurance Limited to do anything differently.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 26 April 2019.

Rachel Woods
ombudsman