

complaint

Mrs C complains that British Gas Insurance Limited ("British Gas") gave poor service under a landlord's home care insurance policy.

background

Mrs C bought a small studio flat heated by a gas boiler which was about 16 years old. She took out a policy with British Gas – who checked the gas boiler. But about a month after the tenant moved in, the boiler stopped working. British Gas said Mrs C should replace it – which she did at a cost of about £2,400. She complained that British Gas ought to have warned her about the boiler on its first visit. British Gas cancelled its policy, refunded the premium and sent a cheque for £150 compensation.

The adjudicator didn't recommend that the complaint should be upheld. She thought that British Gas had fulfilled its obligations and made a fair and reasonable offer.

Mrs C disagrees with the adjudicator's opinion. She says, in summary, that British Gas wrongly issued a safety certificate. And it deprived her of the opportunity – before the tenant moved in – to replace the gas heating with economy electric heating.

my findings

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

On the first visit, the British Gas engineer did a visual inspection without removing the boiler casing. He accepted the boiler onto the policy. The policy included the following term:

"If your First Service reveals a problem (such as boilers for which we know we cannot get parts, or systems that are installed unsafely or which we cannot get to) we may:

- Tell you what work is needed and what it will cost to do that work;*
- Offer you a different product which will not include the parts of your system causing the problem which we cannot include in your Agreement; or*
- Cancel your Agreement and refund any money you have paid".*

So I agree with Mrs C that she was entitled to believe that there was not a problem with the boiler.

I think British Gas should have identified a problem with the boiler on that first visit on 10 December. And Mrs C says its failure to do so deprived her of the opportunity to switch to electric heating. But such a switch would have taken two or three weeks to implement. And in the meantime she would not have received any rent. Mrs C says that in fact she found a tenant who wanted to move in before Christmas and did so on 19 December. Therefore I don't think it would be fair and reasonable to order British Gas to pay compensation for loss of the opportunity to switch to electric heating.

I don't doubt that Mrs C was disappointed to learn – after only about a month – that the boiler was not working properly. And things got worse when the British Gas engineer removed the casing and said the boiler was "*at risk*" because of corrosion.

I don't doubt that – by the shortcomings in the first inspection and report – British Gas caused Mrs C some extra upset and put her to some extra trouble at an already difficult time for her and her tenant. But I think its cheque for £150 is fair and reasonable compensation for this.

Mrs C's husband agreed to pay another British Gas company to install a new boiler.

But I don't share her view that a fair and reasonable remedy is for British Gas to bear half the cost.

I accept that – under the term quoted above – British Gas had the right to cancel the policy. But in fact it also explained its cancellation to Mrs C as follows:

“your HomeCare Policy has now been cancelled and a refund issued as you now have a new central heating boiler and this includes a one year HomeCare guarantee”

Mrs C should be in the financial position she would have been in if British Gas had done the first inspection and report properly. It would then have cancelled the policy and refunded the premium. As it has done that, I don't think it would be fair and reasonable to order it to pay Mrs C any more.

Mrs C has also made a complaint about breach of data protection. I don't think the Financial Ombudsman Service is the most appropriate body to deal with that complaint.

my final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I make no order against British Gas Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 25 September 2015.

Christopher Gilbert
ombudsman