

complaint

Mr P complains about poor customer service from British Gas Services Limited ("BGS") under his home emergency insurance policy. He wants BGS to refund all the instalments he paid under his policy, and to compensate him for the costs and distress he suffered.

background

In 2007 Mr P installed a new central heating boiler and radiators in his house. He also took out a policy with BGS. This didn't cover the full central heating system; he was entitled to an annual service for his central heating boiler, but would have to pay for any repairs or replacements to the boiler or to the radiators and pipes.

Mr P says that from an early stage, he noticed that the boiler kept losing pressure, and the heating system didn't operate as it should have. He asked BGS to investigate. BGS's engineers attended on a number of occasions. They told him to top up the pressure when the problem occurred, but couldn't say what was causing the problem.

Eventually BGS said that the problem was caused by a leak in a central heating pipe located under the ground floor. BGS said the leak was located under the wooden parquet hall floor, and Mr P was responsible for the costs of fixing this. He arranged for the floor to be lifted, which took time and caused disruption. But the leak wasn't located.

BGS tried injecting sealant into the system on several occasions to try to cure the leak, but this didn't work. Eventually another company instructed by Mr P did find the leak under the kitchen floor and fixed it.

The boiler still wasn't working properly. BGS said the problem was a build up of sludge in the boiler and system. A Powerflush was required to deal with this which Mr P would have to pay for at a cost of some £1,700. Mr P asked a firm of plumbers to give a second opinion. They restored the heating at a cost of £492 and reported as follows:

"Drained heating then supplied and fitted new pump below boiler and new balancing valve on hot water return. Balanced heating on completion, works carried out as per estimate.

The pump below the boiler was seized solid and hasn't worked for some time. When we removed the pump we found this area completely blocked with debris from the heating system, this was cleared and a new pump installed. The zone valve on the right hand hot water cylinder was stuck in open position and due to no balancing valve installed on the return pipe this was allowing water to flow passed the cylinder coil even when the hot water was off. this would have a dramatic effect on getting the heating to work correctly. We have unseized the valve and have installed a balancing valve on the return pipe from the cylinders.

Heating system is now working but may require a flush in the future."

Mr P complained to BGS. He said, in summary, that:

- BGS's engineers had failed over a long period to diagnose the leak that was causing the loss of pressure;
- he had upgraded his cover on renewal in August 2014 to full central heating cover. So the cost of repairing the leak should be covered by the policy; and

- BGS should refund what he had paid in premiums for a service that proved useless, and should compensate him for the costs, upset, and waste of time he had suffered.

BGS didn't accept Mr P's complaint. It said that at the time the leak was diagnosed, Mr P had limited cover. So BGS wasn't responsible at that time for repairing the leak. Later, in August 2014, Mr P upgraded his cover to include repairs to pipes. However the policy made it clear that such cover didn't apply to problems that were pre-existing at the time the policy was upgraded.

So BGS wasn't responsible for the costs Mr P incurred in finding and curing the leak. It had tried to assist Mr P by adding sealant to the system on several occasions to see if this would cure the leak.

In March 2016, its engineer found that some radiators were cold because of sludge and scale in the system. He said that when BGS had replaced a heat exchanger the previous month it was found to be heavily affected by sludge. So he recommended a Powerflush of the system and gave Mr P a quote for this, as it wasn't included in the policy cover.

It was February 2017 before Mr P's plumbers attended and fitted the replacement pump. After this they advised that a Powerflush might still be required. So BGS thought this showed it had been correct to recommend this 12 months previously. It also said that it would not have been responsible for repairing the pump under the policy terms, when it had previously said a Powerflush was required, but this hadn't been done.

It did offer compensation of £300 for poor customer service and the trouble and upset this caused, and a further £50 for its poor handling of the complaint procedure itself.

Our investigator recommended that this complaint should be upheld in part. She didn't agree that Mr P should be refunded the premiums he had paid. He had been provided with cover within the limits of the policy terms, although the level of service had been poor. This had caused Mr P trouble and upset, for which it was right that he should be compensated.

She agreed with BGS that Mr P wasn't covered under the policy terms for any of the leaks that had occurred, so she couldn't ask BGS to meet the cost of repairing these. The plumbers Mr P employed had reported that the area round the pump was completely blocked by debris. The policy terms said BGS wouldn't cover:

"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."

BGS had told Mr P 12 months previously that a Powerflush was required, which the plumbers' report said would be required in the future. So she couldn't ask BGS to compensate Mr P for the work the plumbers carried out.

She did think the compensation of £300 BGS had offered was low, and the appropriate figure for the trouble and upset caused to Mr P was £500.

BGS said that it still considered that the £300 compensation it had offered was fair. Mr P responded to say, in summary, that:

- the compensation recommended wasn't proportionate to the amount of distress, and the level of poor service, he had suffered;
- he didn't agree that cover had been provided. The issues he raised were consistently mis-diagnosed or not rectified. Remedies such as Powerflushes were suggested which weren't required;
- his plumbers hadn't said a Powerflush would be required but only that it may be required in the future – which was true of any system;
- BGS had produced reports saying there were no leaks in the system. Why then had it put sealant into the system on more than one occasion after these reports; and
- by introducing sealant into the system BGS was responsible for the debris found later. So it couldn't rely on the policy exclusion it was now quoting.

my findings

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

I sympathise with Mr P in that he has clearly struggled with a heating system that hasn't performed satisfactorily over a long period. However I can only hold BGS responsible for matters which were covered under Mr P's policy at the relevant times. My views on the various matters Mr P complains about are as follows:

Should Mr P's premiums be refunded?

Cover was provided to Mr P under the policy, and various repairs were carried out. BGS has acknowledged that its service to Mr P fell short of the required standard. However I don't think BGS's failures were such that all the premiums should be refunded.

What were BGS's responsibilities in respect of the leaks that occurred?

BGS didn't install the system or the pipe that started to leak. And the policy that Mr P took out initially didn't provide cover for leaks to the pipework. Although Mr P later extended the policy to provide full cover for the system, this didn't cover him for a fault (the leaking pipe) which had appeared before the policy was extended. So I agree that BGS wasn't responsible for the cost of repairing the leaking pipe.

BGS was slow to find the cause of the pressure loss. It tried to find where the leak was situated, but seems to have misled Mr P by suggesting it was under the hall floor. Although it wasn't responsible for repairing the leak, it seems to have tried to help Mr P by injecting sealant, but without success. Overall BGS's standard of service in finding the cause of the pressure loss, and tracing the leak, was poor.

Should BGS meet the cost of Mr P's plumbers in carrying out repairs in February 2017?

BGS's engineer found in March 2016 that some radiators were cold. He said this was because of a build up of sludge and scale in the system. BGS had found sludge the previous month when it had replaced a heat exchanger. The engineer advised a Powerflush to clear the system at a cost of £1,700, but Mr P didn't do this.

A year later, the plumbers employed by Mr P carried out repairs. They replaced the pump. They found the area blocked with debris and the old pump seized solid. As BGS had

recommended a Powerflush, which Mr P had refused, BGS said that under the policy terms it wasn't responsible for the costs of the repair work.

Mr P says that the repairs the plumbers carried out show that a Powerflush wasn't needed 12 months previously. He says the debris was a result of the sealant BGS introduced to the system. I don't agree. There is no evidence that the debris the plumbers found was sealant rather than a normal build up in the system. And I think the fact that the area was blocked with debris, and the pump seized up, means it's more likely than not that a Powerflush was needed 12 months before.

So I don't think I can reasonably require BGS to meet the repairs costs of Mr P's plumbers.

What is a reasonable compensation figure for BGS to pay Mr P for its poor service over a considerable period?

BGS has offered £300 plus a further £50 for poor handling of its complaint procedure. The investigator recommended that a figure of £500 (plus the £50) was appropriate. Mr P thinks the figure should be higher to reflect the level of distress and poor service he has suffered.

Some of the upset Mr P suffered resulted from decisions he made, no doubt for reasons which he thought sensible at the time. However I think that poor service by BGS over an extended period contributed significantly to his upset. I think that fair compensation for this is £500, plus the additional £50 it has offered, making £550 in total.

my final decision

My decision is that I uphold this complaint in part, and order British Gas Services Limited to pay Mr P compensation of £550 in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 22 December 2017.

Lennox Towers
ombudsman