

## **complaint**

Mr and Mrs K complain that on every service visit under their home emergency insurance policy between August 2009 and 2017, British Gas Services Limited (“BGS”) failed to notice a fault with their central heating boiler, which meant they had an inadequate hot water supply throughout that period.

## **background**

Mr and Mrs K had a new central heating boiler installed in December 2004. They say that from the outset the hot water supply didn’t work properly. They mentioned this to BGS’s engineers at each annual service, who put this down to low water pressure in the mains supply to the boiler. Mr and Mrs K had their water main replaced in 2006, but this didn’t resolve the problem.

The first mention of a problem in BGS’s records is in February 2015. In 2016 Mr and Mrs K asked their water supply company to check the water pressure. It said there wasn’t anything wrong with the water pressure. So Mr and Mrs K instructed another gas engineer to look at the problem. It quickly found that the boiler hot and cold water pipes had been crossed over. After he had corrected this, the hot water supply worked normally.

Mr and Mrs K complained to BGS, and asked for substantial compensation for its failure to identify and cure this fault over the years. BGS said that on the basis of its records it wasn’t clear that it had been told about the problem before its service visit in 2016. It offered compensation of £250 for its failure to diagnose the problem during its service visits in 2016 and 2017. Mr and Mrs K didn’t accept this offer and complained to us.

Our investigator recommended that this complaint should be upheld. She said that she couldn’t consider anything that happened before August 2009, as those activities weren’t regulated at that time. But she could consider what happened after that date, including how the annual services were carried out.

Looking at the position since August 2009, she thought there had been a problem with the hot water supply which BGS had failed to diagnose at each annual service since then. Mr and Mrs K’s engineer had quickly found and corrected the problem in February 2017. Given the length of time BGS had failed to correct the problem, she thought the £250 it had offered was insufficient. She recommended that BGS should:

- refund the cost of the annual services Mr and Mrs K had paid for from August 2009 to date, plus interest;
- refund the £180 Mr and Mrs K’s engineer had charged to repair the fault; and
- pay Mr and Mrs K compensation of £500 for the inconvenience its failures had caused them since August 2009, bearing in mind that they had two small children at the time.

Mr and Mrs K accepted the investigator’s recommendation. BGS responded to say, in summary, that it didn’t believe it had incorrectly serviced the boiler. It thought Mr and Mrs K would have complained to BGS more forcefully if the position had been as they suggested since 2009. However there was no mention in its records of water issues being reported until February 2015.

### **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 balance, I accept the evidence of Mr and Mrs K that:

- the hot water supply has been poor since the boiler was installed;
- Mr and Mrs K mentioned this regularly to BGS each time the boiler was serviced but BGS failed to investigate and rectify this; and
- the problem was only cured when Mr and Mrs K's engineer reversed the water supply pipes.

I consider this amounted to a serious failure by BGS to service the boiler properly during the whole period since August 2009 that I can consider in this complaint. Mr and Mrs K have now cancelled their contract with BGS. I consider they should be compensated for BGS's failures prior to that cancellation as set out more fully below.

### **my final decision**

My decision is that I uphold this complaint and order British Gas Services Limited to:

1. refund the charges Mr and Mrs K paid each month for Central Heating Cover (but not Plumbing and Drains Cover or Home Electrical Cover) from the date this Cover became regulated in August 2009 until they cancelled the policy;
2. refund the £180 Mr and Mrs K's engineer charged them to repair the fault;
3. pay Mr and Mrs K interest on the amounts in 1 and 2 above at the annual rate of 8% simple from the date each amount was paid until settlement; <sup>(1)</sup> and
4. pay Mr and Mrs K compensation of £500 in total for the inconvenience its failures caused them since August 2009.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs K to accept or reject my decision before 22 January 2018.

Lennox Towers  
**ombudsman**

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- (1) If BGS considers it's required by HM Revenue and Customs to withhold income tax from the interest awarded, it should tell Mr and Mrs K how much it's taken off. It should also give Mr and Mrs K a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.