

complaint

Mr I complains that British Gas Insurance Limited is responsible for poor service in connection with a home emergency insurance policy.

background

Mr I took out a British Gas HomeCare policy in 2014. In 2018 he complained that – instead of fixing his boiler - British Gas cancelled his policy.

our investigator's opinion

Our investigator didn't recommend that the complaint should be upheld. He didn't think he could say that British Gas was wrong that it could not attempt any further repairs until the system has been power flushed successfully. And he didn't think he could say that British Gas was wrong to cancel the policy.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr I and to British Gas on 21 June 2019. I summarise my findings:

The policy terms mean that British Gas won't cover damage caused by limescale, sludge or other debris during a period of time after British Gas advised a flush but before Mr I got one done.

The policy terms also provided that British Gas could cancel the policy if it told Mr I to make permanent repairs or improvements, but he didn't.

British Gas advised Mr I to get a power flush in February 2018. That would've been an improvement which the policy didn't cover. But – as he didn't get a flush at that time - sludge remained in his system and damaged the main heat exchanger by blocking it so that a power flush couldn't clear it.

For that reason, I didn't find that British Gas treated Mr I unfairly by declining to visit to replace the heat exchanger. In any event Mr I hasn't provided any detail of his earnings or any loss of earnings.

For the same reason, I didn't find that British Gas treated Mr I unfairly by cancelling his policy on 22 January 2019.

Subject to any further information from Mr I or from British Gas, my provisional decision was that I wasn't minded to uphold this complaint in part. I didn't intend to direct British Gas Insurance Limited to do anything further in response to this complaint.

Mr I hasn't responded to the provisional decision.

British Gas agrees with the provisional decision.

my findings

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

Where I refer to British Gas I include engineers and others for whose actions I hold it responsible.

Mr I's policy was renewed on 9 December 2017. He had HomeCare Two. It didn't cover the cost of a power flush. It also excluded the following:

*"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"*

Another policy term was as follows:

*"If someone else carries out a powerflush for you, you'll need to show us the receipt before we carry out any more **repairs** or **replacement** work for damage caused by **sludge**"*

Together, I think those terms mean that British Gas won't cover damage caused by limescale, sludge or other debris during a period of time after British Gas advised a flush but before Mr I got one done.

The policy terms also provided that British Gas could cancel the policy if it told Mr I to make permanent repairs or improvements, but he didn't.

Mr I told us that in February 2018, he started having problems with his boiler and got British Gas to fix it. He said it told him he might need a power flush.

The British Gas work history says that an engineer visited on 24 February 2018 and noted the following:

"CODE5 CLEANED DHW PLATTE AND ADVSD ON SLUDGE NOT COVERED..."

From that I find that the British Gas engineer cleaned the direct hot water plate heat exchanger and advised Mr I that there was sludge which the policy didn't cover.

From what Mr I and British Gas have each said, I find it more likely than not that British Gas had told him that he needed to get a power flush.

In November 2018, Mr I had more problems with his boiler. He told us that British Gas suggested a power flush. And the British Gas work history says that it visited on 23 November when it made a note as follows:

"explained as before pflsh required, cust not accepting it"

There was a further visit on 29 November 2018 – advising that there was sludge and a power flush was required.

On about 9 December 2018 Mr I's policy was renewed again. He had central heating cover, very similar to HomeCare Two. The policy terms included those I have referred to above.

British Gas visited on 13 December 2018 – again advising that a power flush was required.

British Gas visited again on 17 December 2018. The engineer's note includes the following:

*"severe sludge...
only suitable for 1"*

I think that meant that the system was only suitable for HomeCare One, covering Mr I's boiler but not the rest of his central heating system.

Mr I and the British Gas file each say that he tried to book a power flush but British Gas couldn't arrange one. As the policy didn't cover a power flush, I can't say it should've done a flush for Mr I.

I accept that on 21 December 2018 British Gas suggested a third party to arrange a flush. I don't think that meant that British Gas assumed responsibility for that flush.

I've seen a British Gas letter to Mr I dated 22 December changing his cover to HomeCare One for the period to 8 December 2019.

I think Mr I responded by asking for a new HomeCare Two policy. I've seen a welcome letter dated 1 January 2019 for HomeCare Two cover for the year to 30 December 2019.

I've also seen an invoice dated 2 January 2019 for £300.00 for a power flush by an independent heating engineer. And I've seen photographic evidence of clean water coming out of the system.

But Mr I still had a problem with his boiler. He says it needs a replacement part. And from what he and British Gas each say, I think that part is the main heat exchanger.

I can understand Mr I's view that he had got a power flush so British Gas should've fixed the boiler.

And I don't agree with British Gas that there's no point replacing the heat exchanger until after a more successful flush. The technical evidence from British Gas suggests that the heat exchanger is blocked with sludge. So I think a replacement heat exchanger might solve the problem.

But - unlike the investigator- I don't think the key question is whether Mr I had a successful power flush. Rather I think the key question is whether the boiler (in particular the main heat exchanger) suffered damage caused by limescale, sludge or other debris during a period of time after British Gas advised a flush but before Mr I got one done.

And I find that British Gas advised Mr I to get a power flush in February 2018. That would've been an improvement which the policy didn't cover. But – as he didn't get a flush at that time - sludge remained in his system and damaged the main heat exchanger by blocking it so that a power flush couldn't clear it.

For that reason, I don't find that British Gas treated Mr I unfairly by declining to visit to replace the heat exchanger. In any event Mr I hasn't provided any detail of his earnings or any loss of earnings.

For the same reason, I don't find that British Gas treated Mr I unfairly by cancelling his policy on 22 January 2019. I consider the cancellation was in line with the policy terms rather than a breach of them.

From what he has said, Mr I knew that the cancellation was because of the standard of his boiler. It's unfortunate that the cancellation letter gave a different reason – that British Gas had offered him a different product and he had declined it. But I don't think the letter misled Mr I.

Overall - for reasons somewhat different to the investigator – I don't uphold this complaint. I don't find it fair and reasonable to order British Gas to do any more in response to this complaint.

my final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct British Gas Insurance Limited to do anything further in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 9 August 2019.

Christopher Gilbert
ombudsman