

complaint

Mrs W's complaint is about the service provided by British Gas Insurance Limited in relation to a boiler and central heating insurance policy.

background

Mrs W has held the boiler insurance policy with British Gas for some time. The cover includes an annual service of the boiler.

In April 2018, Mrs W reported a leak from her boiler. When the engineer arrived and removed the cover, he said he was shocked by the state of the boiler, which was corroded extensively. The engineer said the heat exchanger needed to be replaced but the part it connected to was no longer made and so the boiler would need to be replaced and could not be repaired. The cost of the replacement boiler would not be covered under the policy.

Mrs W is very unhappy about this. She says that she was not told when the service was carried out in 2017 how advanced the rust and corrosion was in her boiler. The rust that was evident in 2018, would not have developed in one year. If she had been told previously, about the condition of her boiler, she could have started to plan and save for a new boiler. Mrs W has therefore asked for a refund of the year's premium for the policy.

British Gas says it warned Mrs W of some rust on the boiler casing during the service in 2017 and that the boiler was on a 'reduced parts list', meaning that spare parts for it were getting harder to obtain. British Gas did, however, offer her £50 compensation as a gesture of goodwill, due to an error in the final response letter.

One of our adjudicators looked into the matter. He did not recommend that the complaint be upheld, as he did not think that British Gas had acted incorrectly. British Gas had told Mrs W that there was some rust evident in 2017 and that parts would be harder to obtain and so she had some advance warning that a new boiler might be necessary in the foreseeable future.

Mrs W doesn't accept the adjudicator's assessment. She has made a number of points in response, summarised below:

- she was told there was a small amount of rust on the cover the engineer takes off to service the boiler in 2017. The engineer also said it was fine and not a problem. She therefore had no reason to think that the rest of the cover and pipe would be so badly damaged by rust a year later. The boiler passed its service.
- British Gas tell all its customers that parts are hard to find once the boiler reaches 10 years old, even if the boiler is in pristine condition because manufacturers stop making parts after this time. There was nothing wrong with her boiler at that point.
- After speaking to different people in the British Gas complaints department, she was told the final response letter was incorrect and had lies in its context; and that unfortunately the engineers don't always have the correct amount of time to do the services as they should, due to demand or workers being off work. Therefore mistakes do happen and she is sure mistakes happened when her boiler was serviced in April 2017.
- British Gas says water leaks can damage steel parts quickly. If this is the case then there would have been some evidence of a water leak before April 2018.

As the adjudicator was unable to resolve the complaint, it has been passed to me.

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 have seen the photographs provided of the boiler and these do show extensive rust and corrosion. Mrs W has provided an email from the manufacturer of the boiler, which says it does not think the corrosion evident in April 2018 could have built up in just one year. However, it seems to be accepted by both parties that there was rust present in April 2017. Mrs W accepts it was mentioned to her – and that it was nothing to worry about – even though it was not recorded on the checklist left with her by the engineer. The dispute is about how much and whether British Gas should have told Mrs W more clearly that the rust might cause the boiler to fail and potentially be irreparable.

There's no evidence about how much rust there was in April 2017, other than that it clearly did not cause the boiler to fail its service. The leak that led to the call out in April 2018, will undoubtedly have caused some further rust but I consider it likely that there was more than a little rust in 2017. However, even if I accept that this should have been pointed out to Mrs W more clearly in 2017, I do not consider that British Gas should be required to refund the year's premium.

There is no evidence that the leak that developed in April 2018 and therefore the resultant need to replace the boiler – could have been prevented. Mrs W would have had to replace her boiler anyway. Her position would be no different in that regard.

Mrs W says that she would have had the opportunity to start saving for a new boiler, if she had been told earlier about the rust. However, the boiler passed its service in 2017, it was working and did not need to be replaced then. There was also apparently no evidence of any leak. The rust present then may have been extensive (we do not know) but it was not affecting the boiler's operation or safety. So even if British Gas had pointed out the extent of the rust then, it could not have predicted when the boiler would need replacing. And Mrs W was already aware that her boiler was around 14 years old and there was some rust.

Overall therefore, I do not consider that British has acted unreasonably in not pointing this out more clearly in 2017. British Gas provided the cover in exchange of the premium Mrs W paid. It carried out the annual service in April 2017 and 2018. I do not therefore agree that it would be reasonable to require it to refund the premium to Mrs W.

There was an inaccuracy in British Gas's response to Mrs W's complaint. While I can understand it was frustrating for Mrs W, it hasn't made a difference to the outcome and didn't cause any delay or other inconvenience. I consider the £50 compensation already offered for this to be reasonable.

my final decision

I don't uphold this complaint, as I consider that British Gas Insurance Limited has already made a reasonable offer in full and final settlement of the complaint. If the payment of £50 has not already been made and Mrs W now wishes to accept that, she should confirm her acceptance of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 19 September 2019.

Harriet McCarthy
ombudsman