

complaint

Mr O's complaint is about the service provided by British Gas Insurance Limited in relation to a central heating insurance policy.

background

Mr O held a central heating insurance policy with British Gas for a property he lets out, which includes an annual service of the boiler. Mr O says his boiler was working fine until British Gas carried out the annual service and landlord's gas safety certificate check in early December 2017.

When the engineer attended, he apparently told Mr O that the gas valve rivets in the combustion chamber were corroded and he shut the boiler down saying it was dangerous. The engineer apparently also told Mr O that the part needed to repair the boiler wasn't available and that Mr O should have been told at the previous annual service visit that there was a lack of parts available for his boiler.

Based on the advice of the engineer, Mr O agreed to have a new boiler installed. It was agreed that he'd pay part of the cost up front and the balance would be paid on completion of the work. However, Mr O says British Gas stripped his boiler for parts to use on other boilers. Mr O also says that he thinks the boiler was reparable and he has found the part his boiler needed online. Mr O therefore complained and has not yet paid the balance of the cost.

British Gas didn't issue a final response letter in response to Mr O's complaint. However, it instructed debt collection agents to chase the outstanding costs from Mr O. This has been put on hold while the complaint is with us.

British Gas has acknowledged the delay in responding to the complaint and has offered £30 in recognition of this. However, it maintains its position about the boiler. British Gas says that the boiler was properly deemed to be immediately dangerous because the rivets that hold the gas valve had rusted, exposing a hole in the case which can lead to fumes escaping. It was therefore correct for its engineer to cap the boiler off. To repair this would need a complete new combustion case but this is the part that is obsolete, so the only option was to replace the boiler. It has provided a screenshot which it says shows that the part needed was obsolete.

British Gas also says that on seven occasions between 2015 and the final visit in December 2017, Mr O was advised that his boiler was over 10 years old, in poor condition and was on a restricted parts list.

One of our adjudicators looked into the matter. She recommended that the complaint be upheld as she wasn't satisfied that British Gas had established that the part needed was unobtainable. The adjudicator also said there was no record of the gas valve rivets being corroded at the time of the 2016 annual service and gas safety check. The adjudicator therefore considered that British Gas had not established that the boiler was not reparable and needed to be replaced at a cost to Mr O. In addition, British Gas had failed to respond to Mr O's complaint but had continued to chase him for payment. The adjudicator therefore recommended that British Gas contribute half the cost of the new boiler and pay compensation of £150 in total (to include the £30 already offered).

British Gas doesn't accept the adjudicator's recommendation, so the matter has been passed to me.

In the meantime, Mr O has also told our adjudicator that he has a mental health condition and this situation, which has dragged on for over a year, has caused him additional stress. He also queried why, if the boiler was irreparable, British Gas allowed him to continue paying for the policy and not allow him to cancel it. If he had been told that the parts were obsolete and British Gas would not be able to repair the boiler, if something went wrong with it, he could have cancelled the policy.

my findings

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

British Gas says the part needed to repair Mr O's boiler was obsolete and the only option therefore was to replace it. However, there is little evidence to support this. British Gas has provided a screenshot of a search for a "casing - dummy" and a part number, which shows this coming up as obsolete. However, it appears that this was a search of its own internal stock – it was not an internet search. It's impossible for me to tell from this: the date that search was done, whether this part was available from other suppliers still (even if no longer being produced), or just not in British Gas's stock; and indeed whether it's the correct part that applies to Mr O's boiler.

British Gas also says that on several occasions in the couple of years before December 2017, it told Mr O that his boiler was getting older and that there were restricted parts available for it. Mr O denies this and says he'd have cancelled the policy, if he had known British Gas would not be able to repair it. I have not seen anything to support this or that Mr O was warned at any stage prior to December 2017, that the rivets were corroded/corroding and might need replacing.

Given this, it is difficult for me to determine that the boiler was irreparable and that the only viable option was that the boiler be replaced. As a result I agree with the adjudicator that British Gas should contribute half the cost of the boiler.

I also agree that some addition compensation is warranted for the handling of the claim and the complaint (including ignoring Mr O's complaint while still chasing him for payments that were in dispute). I consider that, together with the contribution to the cost of the boiler, £150 is appropriate.

my final decision

I uphold this complaint against British Gas Insurance Limited and require it to:

- pay 50% towards the cost of Mr O's new boiler; and
- pay the total sum of £150 for the distress and inconvenience caused by the handling of the matter. (If British Gas has already paid the £30, it only needs to now pay £120.)

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 6 March 2019.

Harriet McCarthy
ombudsman