

complaint

Mr D complains that British Gas Insurance Limited didn't properly maintain his boiler under a home care policy, and he's had to replace it.

background

From 2013 Mr D had a home care policy with British Gas which covered his boiler. He held the policy until 2016, and in that time British Gas did the following:

- July 2013 – first visit to check the boiler
- January 2014 – replaced the leaking filling loop valve
- January 2015 – annual service, where British Gas' engineer replaced the 'user PSB' and the pressurised 'exp' (expansion) vessel
- 11 November 2015 – call where no fault was detected but a part needed a new battery
- 19 November 2015 – call out where the engineer replaced control panel and recommended a 'hive' unit.
- April 2016 – annual service, where British Gas cleaned the condenser pump and tested the boiler.

In June 2016 Mr D cancelled the policy (and the last day of cover was 30 June 2016). He'd found a cheaper one which was more comprehensive than the British Gas policy.

On 7 July 2016 Mr D contacted British Gas. He explained the new boiler care company had called out to inspect his boiler, which had cut out. That company had refused to carry out the work under the new boiler care contract, because it said the problem had been caused by the boiler leaking for 18-24 months (during the period British Gas covered it). Mr D and his wife are elderly, and they needed heating and hot water, so they decided they had to replace the boiler at their own expense.

British Gas arranged for a salesman to call round to them. It then fitted a new boiler in early September 2016.

Mr D complained to British Gas. He was aware that British Gas had fitted a new filling loop early on. But he says that he'd told British Gas during the later visits that he'd had to top up the boiler two to three times a week, because the water pressure had been dropping. He was told the engineer would check this. He'd since been told the electric control panel had failed because a diaphragm had split, and the leaking water had caused corrosion. He showed British Gas some photos of this, taken before the boiler was replaced. He thought it should contribute to the cost of the new boiler.

British Gas said it had no record of Mr D telling it about the water pressure dropping. He'd not called it out for this. He hadn't given it the opportunity to inspect the boiler before replacing it. So it shouldn't have to contribute to the cost. But it did send Mr D £200 cheque as a gesture of goodwill. Mr D asked us to look into his complaint.

Our adjudicator didn't think there was any evidence Mr D had told British Gas about the water pressure dropping, or that it had failed due to the leak. So he didn't uphold the complaint. He said he'd consider any engineering evidence Mr D could provide.

Mr D didn't agree, and was concerned it was thought he'd not been telling the truth about the water pressure issue. He'd contacted British Gas about his concerns before it had replaced the boiler. So it *had* had chance to inspect the boiler before it was replaced.

Mr D sent us a report from the new boiler care company's engineer. This said the engineer had found a leak on the boiler heat exchanger, which was dripping on to the electrics causing them to short out. The heat exchanger showed signs of prolonged leaking due to corrosion. He said the heat exchanger should be repaired (and probably replaced) before a possible electrical problem could be identified.

Our adjudicator sent this report to British Gas, but it didn't change its mind.

Mr D said the engineer from British Gas who replaced the boiler said the issue should have been picked up during the annual service visits. So the complaint came to me for review.

developments

I asked British Gas for some further information. This included the policy schedules and policy documents which it sent to me. I also asked British Gas for its work sheets, and to comment more fully on why the report from Mr D's new boiler care company's engineer didn't change its mind about the corrosion. I suggested Mr D had given British Gas the opportunity to inspect the boiler before British Gas itself replaced it.

British Gas responded to say, in summary, that:

- It didn't keep paper copies of its work sheets, as the information was recorded in its system. Mr D didn't report any drop in pressure (that might suggest a leak). A leak could occur and rectify itself. Once there's been a leak it's not possible to stop corrosion.
- It described the annual service. This is mainly to check the appliance is working safely and efficiently. If any issues are highlighted, such as a potential problem with the gasses that it tests, then it would investigate further. As parts are not removed it wouldn't see if any corrosion was present.
- It thought its service manager had assumed the boiler wasn't available for inspection. He had offered the £200 as a gesture of goodwill and to try to resolve the complaint.

my provisional decision

I then made a provisional decision saying I intended to uphold the complaint and award Mr D a further £300 compensation (so £500 in total). This is what I said:

"British Gas says that the annual service it carries out is a safety check and only required analysis of the gasses. It says the service doesn't include examination of the parts unless something is indicated by this analysis. It would then carry out further checks if required.

I think it's misleading for British Gas to refer to this as a service. Gas Safe describes a service as including taking apart the boiler and physical examination of the casing, as well as the checks that British Gas did carry out (which it describes as a basic safety test).

I've noted that British Gas says there's no report of a drop in pressure. But I've not seen the original work sheets or the check list completed at the annual service or call outs. And Mr D had been clear and consistent in saying that he reported a drop in pressure to the British Gas engineers, which meant he had to top up the water on a regular basis. The engineers

said they'd check this out. I see no reason to doubt Mr D's clear and plausible evidence about this.

Mr D's provided the new boiler care company's engineer's evidence, following the inspection just one week after Mr D's British Gas contract ended. The engineer says there is evidence of prolonged leaking to the heat exchanger. This is supported by Mr D's photographs, and his own evidence about drop in pressure.

I think the evidence is that it's likely the heat exchanger was leaking at the time of the April 2016 annual service, given the corrosion noted by the new service company's engineer and shown in the photographs. And I also think it's likely this would have been picked up had a full service been carried out by British Gas in April 2016.

The new boiler care company's engineer said that Mr D would probably need a new heat exchanger and the electrical problem would then need checking. Mr D opted to replace the boiler, given its age and the fact that he'd have to pay for the new parts himself and perhaps also then pay to replace the boiler at a later stage.

But I think it's likely Mr D would have opted to have a new heat exchanger had this been picked up during the April 2016 annual service, as it would have been covered under his policy. It's possible a new electrical control panel would be needed.

It's difficult to estimate how much it would have cost British Gas to repair the boiler. But I think it did have chance to inspect the boiler before it replaced it (at Mr D's cost). I think a fair settlement is for British Gas to pay Mr D further compensation for the lost opportunity to have his boiler repaired under his policy. Overall I think a further £300 (in addition to the £200 it has already paid him) is fair and reasonable.

I don't think British Gas must pay the installation costs of the new boiler. It seems it could have been repaired."

I also explained that British Gas Insurance Limited provided the insurance policy which included both the call out inspections and the annual service. So it's the correct business for this complaint to be against.

responses to my provisional decision

Mr D accepted my provisional decision and made a few comments. He was pleased he'd been believed. He said British Gas' customer service had been poor and he hoped it would improve its procedures. He'd been hoping for the installation costs but would gratefully accept the recommended compensation.

British Gas didn't respond, despite a reminder, so it's not made any further submissions.

my findings

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

Mr D has accepted my decision and I've not received any further comments from British Gas. So I see no reason to change my provisional findings and I confirm them here for the

reasons I've set out in detail above. I hope British Gas will note Mr D's comments about its complaints procedures, even though I can't require it to improve them.

my final decision

I uphold this complaint and require British Gas Insurance Limited to pay Mr D a further £300 in compensation (in addition to the £200 compensation cheque it has already sent him).

British Gas Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr D accepts my final decision. If it pays later than this it must also pay interest on the unpaid compensation from the date of my final decision until the date of payment at 8% per year simple*.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 2 March 2017.

Amanda Maycock
ombudsman

*If British Gas Insurance Limited considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr D how much it's taken off. It should also give Mr D a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.