

complaint

Mr D complains that British Gas Insurance Limited (BG) wrongly diagnosed the cause of a fault with a radiator, and recommended a costly solution which didn't solve the problem.

I've previously issued a provisional decision on this case, but BG didn't agree with this.

background

Mr D has a HomeCare policy with BG that covers the heating system in a rental property. In April 2018, before Mr D started letting the property, BG did an inspection of the heating system. It recommended that a thermostatic valve in the main bedroom and the pump be replaced. This work was undertaken and the property was then let.

In October 2018, Mr D's tenants said that the radiator in the main bedroom wasn't getting hot enough. A BG engineer attended and replaced the valve that had been fitted in April. A few days later, the radiator still failed to heat so Mr D called in BG again. Its engineer diagnosed that a Powerflush was needed. Mr D was quoted £848 for a full system Powerflush and the fitting of a magnetic filter.

Mr D says he didn't really want a full system Powerflush as he planned to replace the boiler and radiators at some future time as part of a refurbishment of the property before selling it. But he agreed to have a full system Powerflush to keep his tenants happy.

BG attended on 4 December 2018 to perform a Powerflush and to fit a magnetic filter. The engineer wasn't able to fit the magnetic filter as there wasn't enough room to do so. Mr D's bill was therefore reduced by £63 from £848 to £785. Mr D believes this was an underestimate of the cost of fitting a magnetic filter.

Later that evening, despite the Powerflush, the radiator in the main bedroom still failed to fully heat up. Another BG engineer came on 5 December and rebalanced the system. This made no difference. Another BG engineer came on 7 December. He identified that there was a piece of excess plastic left on the thermostatic valve when it was injection moulded. This was preventing the pin from the valve getting to the heat level 5 position, and was shutting the water off early. He cut the plastic and the radiator thereafter worked as normal.

Mr D accepts that a Powerflush would've been beneficial and has improved the efficiency of his heating system. The other radiators heated up better than before to the extent that his tenants asked for thermostatic valves to be fitted elsewhere. But he maintains that his system didn't actually need a Powerflush as the problem with the radiator continued after the Powerflush had been undertaken. He'd therefore paid £785 for work that didn't fix the problem he wanted it to fix.

BG offered Mr D £200 compensation, but Mr D maintains that he's still out of pocket by £585, and he wants this to be refunded to him. He says that alternatively he will consider accepting that BG returns to the property, at its cost, to fit three thermostatic valves to the other two bedrooms and the kitchen and to see whether a magnetic filter could be fitted in his airing cupboard.

BG says that its initial diagnosis was correct. The Powerflush had been recommended to improve circulation of the whole system and deal with some cold spots in several radiators. It also explained that the £63 cost of fitting a magnetic filter was a reduced cost as it was going

to be done at the same time as the Powerflush when the system was already drained. As to Mr D's offer to accept replacement of thermostatic valves in the other rooms, BG has said it won't compensate him for making his system more efficient. It sent him the £200 compensation it originally offered him.

Unhappy with BG's response to his complaint, Mr D referred it to this service. Our investigator's view was that BG should refund Mr D the £585 by which he was still out of pocket because the Powerflush hadn't fixed the problem that Mr D wanted to have fixed. This wasn't fixed until the problem with the faulty valve was identified.

In response to our investigator's view, BG says that it had been visiting Mr D's property since 2011 and during its visits it had advised him that there was brown oxide in the system which causes cold spots on radiators and can also cause thermostatic radiator valves to block and stick in a closed position. It says its records show that it has replaced valves which were damaged by sludge at no cost to Mr D which supports its position that a Powerflush was absolutely necessary to fully resolve the problems Mr D was encountering with his system. It maintains that its diagnosis was correct.

Mr D says that he'd had a central heating system Powerflush carried out on 10 January 2012 by a local heating engineer as BG had advised it needed doing after a routine service.

BG didn't agree with our investigator's view, so the matter was referred to me for a final decision. I issued a provisional decision as I considered that it wasn't fair that Mr D should have received the benefit of a more efficient system without paying anything towards it.

Mr D accepted my provisional decision, but BG still doesn't agree that it should have to pay anything to Mr D beyond what it has already paid him in compensation. It says that it had previously replaced pumps and valves which were damaged by sludge and that had he not had his system Powerflushed, it wouldn't have changed any more water carrying components.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint including BG's response to my provisional decision. I'm going to continue to uphold Mr D's complaint and I'll explain why.

I've looked at BG's service records for the property going back to 2009. From these I can see that on 11 April 2011 an engineer attended and *reported*:

"Code3/ System full of brown oxide. Quoted for Powerflush and filter".

BG's records thereafter don't record any further comments about brown oxide in the system, which supports Mr D's statement that he had a Powerflush undertaken by an independent engineer in 2012. So I don't think it's fair for BG to say *"during its visits it had advised him that there was brown oxide in the system"*.

But on 4 December 2018, when Mr D's Powerflush was undertaken, BG's records state:

"CODE6 P/flushed & chem cleaned unbelievably filthy system. No room for filter, billing dispute to 785"

I appreciate that Mr D wanted to have the single faulty radiator fully working, and didn't want to have a complete Powerflush, but I'm satisfied that this was recommended to him by BG as the solution. It had previously recommended a Powerflush in April 2018. BG has confirmed that this was the correct diagnosis.

But after the Powerflush still hadn't resolved the problem with the faulty radiator, another engineer found that the problem wasn't with sludge in Mr D's system, which the Powerflush had been aimed at addressing. The problem was with a faulty valve, and he fixed this. If this valve had been checked by BG before the Powerflush, Mr D would've been satisfied. His radiator would've been working again, albeit not as efficiently as all his radiators were working after the Powerflush, but nevertheless to a standard acceptable to him. He had plans to replace the system.

So I can understand why Mr D considers that he's paid for something he didn't need or want, and why he wants to be reimbursed the full £785 he paid BG.

But Mr D accepts that his heating system is working more effectively than it did before, which is a benefit to him. He also has a system that has been cleaned, having been "unbelievably filthy" as it hadn't been cleaned since 2012. This is also of benefit to him as it is less likely to break down due to blockages. This is also a benefit.

Although I consider that BG should've done more to identify the problem with the one radiator that wasn't working properly before undertaking a process of last resort, I don't think it's fair or reasonable for Mr D to have the benefits this has brought him and still receive a full refund.

I think in the circumstances it would be reasonable for Mr D to pay £250 towards the £785 cost of the Powerflush. This would leave BG with responsibility for £535 of the cost. As it's already paid him £200, it will therefore have to pay him a further £335.00.

my final decision

For the reasons I've given above, I'm upholding Mr D's complaint and I require British Gas Insurance Limited to pay Mr D £335.

I also require it to pay interest on this sum at the simple rate of 8% a year from the date Mr D paid for his Powerflush to the date payment is made to him.

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 him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 20 May 2020.

Nigel Bremner
ombudsman