

## **complaint**

Mr B has complained that British Gas Insurance Limited (“British Gas”) didn’t repair his leaking boiler under a Homecare insurance policy he had with them.

## **background**

Mr B called out British Gas when he had a problem with his boiler. An engineer came out on 21 June 2016 and said there was a leak. But they said the repair needed wasn’t covered by Mr B’s insurance policy.

The engineer thought Mr B had been told he needed a ‘PowerFlush’ to clean out his heating system before, but it hadn’t been done and this led to the problem. And under the terms and conditions of the insurance this wouldn’t be covered. Mr B paid for his boiler to be repaired by another company on 7 July 2016 at a cost of £262.50.

Mr B complained that he’d never been told he needed to have work done to his heating system to be able to make a claim, so he thought British Gas should pay for the repair of his boiler. But they didn’t agree, so he brought his complaint to this service. Mr B also wants the flooring replaced because the boiler was left continuing to leak; and a refund of the premium for 2015 -2016 because he wouldn’t have carried on paying for it if he’d known there’d be significantly reduced cover. He also complained about the lack of response to his complaint and having to chase British Gas for a response.

One of our investigators looked into the complaint and thought British Gas hadn’t acted fairly. They didn’t think British Gas had made it clear enough to Mr B that he might not have been covered if he didn’t get his heating system cleaned. They recommended that they cover the cost of repair and pay Mr B a further £50 for the way it’s handled this complaint.

British Gas didn’t agree, so the complaint has been passed to me for a final 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.

I think the complaint should be upheld and I’d like to explain why below.

I’ve seen British Gas’ terms and conditions and they say they don’t cover:

“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.”

So I think British Gas had to make clear to Mr B that he needed a ‘Powerflush’ and that he might not be covered if he didn’t get it done.

I’ve seen a set of ‘checklists’ that look like reports that would’ve been given to Mr B after he had a British Gas engineer come out to service or repair his boiler. The reports go back to 2009. In the October 2013 report it says there was a recommendation for an improvement and a quotation given. It also says:

“boiler on reduced parts list, bled radiators – water quality poor – advised on system powerflush and age of boiler”.

There are more reports from October 2014 where no improvement works were recommended, but then Mr B's boiler broke down in November 2014. An engineer came out and said the boiler needed a new diverter valve and that Mr B had been advised before about the water quality. But British Gas repaired the boiler even though Mr B had been recommended to have a 'Powerflush' the year before. I can also see a system improvement was recommended and a quote was given, but the report doesn't say what for.

But when the boiler broke down in 2016 British Gas refused to repair it under the policy. They said it wasn't covered because of the previous advice given. The engineer thought there was a leak and that was caused by sludge and debris in the heating system. I've seen from the repair Mr B paid for himself, the problem with the boiler was a leak. This needed a replacement diverter valve, heat exchanger and manifold. I haven't seen any conclusive evidence that these were caused by sludge but even if they were, I don't think it's fair for British Gas to rely on the exclusions for reasons I'll explain.

I've looked at the reports that would've been given to Mr B. He was recommended to have a 'Powerflush', but I can't see he was ever told this was something he needed to have done or that he might not be covered if he didn't. And Mr B had his boiler repaired in 2014 *after* a 'Powerflush' had been recommended before. So I think it was reasonable for Mr B to assume he'd still be covered even if he didn't get a 'Powerflush'.

British Gas have said their engineers would only recommend work and provide a quotation if it was 'needed', so Mr B would've known he needed a 'Powerflush' in 2013. They've also pointed to their internal notes that show Mr B was told in 2014 he wouldn't be covered again if the work wasn't done. But I can't see this was recorded on the reports Mr B was given, so I can't be sure he was actually told this. I think this information is so important it should've been made clearer to Mr B – I think it would've been clear to the engineer it was possible Mr B would've needed to claim again if he didn't have the work done. As it wasn't made clear, I think it's unfair for British Gas to rely on this exclusion. So I think British Gas need to do something to put things right.

If British Gas hadn't relied on the exclusion I don't think Mr B would've had to pay for the repair to his boiler. So I think he needs to get that cost back, along with 8% per year simple interest on what he's paid.

I don't think Mr B should get a refund of his premium. If he did he'd be put in the position that his policy paid out without having to pay for that policy. I don't think that's fair.

Mr B has told us he lifted up the flooring to let it dry out. He said he might replace this at some point in the future, but he hasn't said it needs to be done because of the leak. So I'm not going to tell British Gas to pay for this.

I also agree with our investigator that Mr B had to wait for the complaint to be resolved, at times with a leaking boiler for 16 days, before he paid for someone else to repair it. But I think it's fair for British Gas to pay £250 because of this, rather than the £50 recommended.

**my final decision**

For the reasons set out above, I uphold Mr B's complaint against British Gas Insurance Limited. I require British Gas Insurance Limited to:

1. pay Mr B £262.50 within 28 days of the date on which we tell them Mr B accepts my final decision (if he does). It should add 8% per year simple interest to this from the date he paid for the repair until the date Mr B gets paid; and
2. pay Mr B a further £250 to reflect the trouble he's been put to.

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 B how much it's taken off. It should also give Mr B a certificate showing this if she 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 B to accept or reject my decision before 25 November 2016.

Mark Hutchings  
**ombudsman**