

complaint

Ms Z's complaint is about the handling of a claim made under her central heating insurance policy with British Gas Insurance Limited.

background

I issued a provisional decision on this matter in April 2020, part of which is copied below:

Ms Z contacted British Gas in March 2019, as her boiler was not working properly. British Gas attended on 9 March 2019 and replaced the printed circuit board ("PCB") with a reconditioned one. Ms Z said that not long after the engineer left, the fault appeared again. British Gas came back out the next day but couldn't find any fault, as it was working properly at the time of its visit.

In early April 2019, Ms Z contacted British Gas again and said the boiler had only been working intermittently and developed the same fault again. British Gas went out again on 7 and 13 April 2019. It got the boiler working each time but the fault apparently happened again shortly after each visit ... British Gas went back on 14 April 2019 and finally fixed the boiler properly by replacing the PCB again, with a new part.

Ms Z is very unhappy that it took so many attendances to fix the boiler properly which meant that her and her family were without heating and hot water for periods of time. Ms Z says her husband and daughter are both vulnerable. Ms Z says British Gas used second hand parts which is why the replacement PCB didn't fix the problem. Ms Z says this also caused considerable stress and inconvenience; she had to keep calling British Gas and some calls were not returned and one call was terminated mid conversation by British Gas. Ms Z also says she had to keep taking time off work to accommodate the appointments, as British Gas refused to book appointments for after 5pm, when she'd be home from work. Ms Z has asked for the £60 excess she paid to be reimbursed, as the claim was not dealt with properly; compensation for each failed visit, as she had to take unpaid time off work; and £50 to cover her call costs. She has asked for £350 in total.

British Gas acknowledges that the first replacement PCB was not a new part but was a reconditioned second-hand part. It says that the failure of the PCB was "clearly a manufacturing fault of the part and beyond our control" and it did everything it could, as quickly as possible to complete the repairs. However, it offered Ms Z £60 compensation, increased to £110 after the complaint came to us.

One of our investigators looked into the matter. She didn't think British Gas should refund the excess, as the policy terms are that there is an excess to pay each time there is a claim. The investigator also said it is not unusual for reconditioned parts to be used, and the policy terms don't guarantee that only brand new parts will be used. Overall the investigator thought the £110 compensation offered was reasonable to reflect the trouble caused to Ms Z, including having to make calls.

Ms Z doesn't accept the investigator's assessment. She doesn't think the investigator has properly investigated her complaint and has not understood the issues.

As the investigator was unable to resolve the matter, 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.

It took five visits to fix the boiler properly and this meant that it was only working intermittently for around a month and sometimes left without heating and hot water.

The policy doesn't provide that reconditioned parts would be used in any repairs. The policy says: "we'll try to get parts from the original manufacturer or our approved suppliers". This suggests in my opinion that all spare parts will be new. However, even if I accepted it was not unreasonable in principle for British Gas to use reconditioned spare parts (which I don't, given its policy terms) any part used should be fit for purpose.

It seems to me that the failure of the PCB that British Gas installed on 9 March 2019 was more likely than not because it was not a new part. When a new PCB was installed over a month later, it immediately resolved the problem. I do not think it is reasonable for British Gas to try and absolve itself of responsibility for that on the basis that it was a manufacturing fault in the part, when it was a reconditioned part which was apparently not fit for the purpose it was required.

As a result of using a part which was not of adequate standard, four more attendances were required, Ms Z had to make numerous calls to British Gas and her boiler was failing intermittently. This will have undoubtedly caused additional, unnecessary and avoidable stress and inconvenience to Ms Z and her family.

Ms Z has also said she had to take unpaid time off work although there's no proof of any loss of earnings. I don't think it is inherently unreasonable that British Gas was not able to arrange appointments for after 5pm on weekdays (and could only offer 8am to 1pm, to 1pm to 6pm slots). I note British Gas did also offer Ms Z a Saturday appointment, so she didn't have to take time off work. However, none of this would have been necessary at all if the repair had been carried out properly on 9 March 2019.

Having considered all the circumstances, I do not consider the compensation offered so far is adequate to reflect the trouble caused to Ms Z. I consider that the sum of £250 is appropriate and in line with awards made in similar cases. This is to reflect the distress and inconvenience caused and to also cover the cost of calls Ms Z had to make.

my provisional decision

I intend to uphold this complaint and require British Gas Insurance Limited to pay Ms Z £250 compensation for the distress and inconvenience caused by its handling of this claim."

responses to my provisional decision

I invited both parties to respond to my provisional decision with any further information or arguments they want considered.

British Gas has confirmed it has nothing further to add.

Ms Z has confirmed she accepts my provisional decision and has nothing more to add.

my findings

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

As neither party has provided any further information, I see no reason to change my provisional decision. I remain of the opinion that British Gas should pay a total of £250 compensation for its handling of the claim.

final decision

I uphold this complaint and require British Gas Insurance Limited to pay Ms Z £250 compensation for the distress and inconvenience caused by its handling of this claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Z to accept or reject my decision before 26 May 2020.

Harriet McCarthy
ombudsman