

complaint

Mrs H complains that British Gas Insurance Limited will not reimburse her costs following a claim she made under her HomeCare insurance policy for a problem with her boiler.

Mrs H is represented in this complaint by a family member, Mr H.

background

On 31 January 2013, Mr H contacted British Gas as there were problems with the boiler at Mrs H's property. An engineer attended and diagnosed that the system would need to be re-piped. Another attendance took place on 2 February 2013 as the hot water tank had burst. The engineer diagnosed that the hot water tank had burst due to the design and installation of the original pipe work. He drained down the cylinder to make it safe, and advised that the system would still need to be re-piped. However this was not covered under the policy, as this was classed as an 'upgrade'. British Gas provided a quotation of £1,560 to deal with that.

Mr H decided to have the boiler replaced as this would provide a long term solution to the issue. The replacement of the boiler meant that a combination (combi) boiler was installed and the pipes were re-adjusted in the airing cupboard to accommodate the new boiler. All the other pipes were redundant and removed.

Mr H complained about the fact that the financial loss incurred was not covered, and that the design fault had not previously been identified.

British Gas agreed that Mrs H's complaint was justified. Before it became aware that the boiler had been replaced, it initially stated that, as a gesture of goodwill, it would be willing to cover the third party costs (up to the £1,560 it had quoted) to have the re-pipe carried out. However, when British Gas was made aware that the boiler had been replaced and the re-pipe had not been carried out, it stated that it would not cover the £1,560 as the remedial work it had actually recommended had not been completed, and a replacement was not covered under the policy.

British Gas later offered £103.27 which is what it would have paid for its engineer to attend and carry out the work. Mr H did not accept this and brought the complaint to this service.

The adjudicator recommended that the complaint should be partially upheld. She was satisfied that British Gas should not have to cover the £1,560 it was originally willing to pay, as Mrs H did not have the re-pipe carried out at the property. However, British Gas did confirm that it should have made Mrs H aware of the design fault earlier and for that reason, some contribution should be made towards the third party costs incurred. The adjudicator considered that had British Gas offered the re-pipe when the claim was made, then Mrs H may not have opted to pay £2,448 to replace the boiler to rectify the problem.

During the adjudicator's investigations, it was noted that it cost Mrs H's private engineer approximately £240-£280 to re-adjust the pipes in the airing cupboard. This was put to British Gas by the adjudicator but it refused to cover this payment as it believes this was not a re-pipe, but that it was a re-alignment of the original pipes to accommodate the new boiler.

The adjudicator recommended that British Gas pay £500 compensation to Mrs H to

contribute to the cost of replacing the boiler.

British Gas did not agree, as it believes Mrs H would be gaining financially from the situation by having a new boiler as well as a contribution towards it, when that is not what British Gas had diagnosed. It believes its diagnosis was correct and that by not re-piping the system, the problem still remains.

The matter has therefore been referred to me to decide.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I note that Mr H has requested a refund of premiums paid; however, I can see no basis for that. The benefit of cover has been available, despite the fact that the particular repair needed in this case was not covered under the policy.

Although British Gas was entitled under the policy to decline cover for the specific work required (for re-piping), it agreed to meet the costs of Mr H having that work carried out by a third party, up to its estimate of £1,560. This was a gesture of goodwill, in recognition of the fact that it should have identified the design fault sooner. (This is likely to have put Mrs H in the position of being able to have remedial work carried out before the hot water tank burst.)

British Gas objected, however, to making that payment when it discovered that the work which Mr H arranged was to replace the boiler, rather than just re-piping. This was because a replacement boiler would not have been covered under the policy, and it is not satisfied that its recommended work has been carried out. It said the work had included a reconfiguration of the piping, and not a re-pipe.

However, I consider it not unreasonable that Mr H decided to replace the boiler, in order to deal more completely with the issue, especially since the re-pipe might have been carried out (or paid for) by British Gas earlier in the course of the complaint. The fact remains that British Gas has accepted some responsibility for the problem in the first place, and for that reason I am satisfied that it should contribute to the costs incurred by Mr H. Under the circumstances, I consider that £500 is a fair and reasonable contribution to those costs.

my final decision

For the reasons above, it is my final decision that I uphold this complaint in part.

I require British Gas Insurance Limited to pay Mrs H £500 as a contribution towards the cost of her replacement heating system. I make no other award.

Helen Moya
ombudsman