

## **complaint**

Mrs P is unhappy that British Gas Insurance Limited refused to cover a fault with her boiler; cancelled her boiler cover policy and failed to give a full refund.

## **background**

Mrs P took out the policy in August 2013. British Gas carried out an initial inspection of the boiler before confirming that it would take on the contract. During that inspection it identified some remedial work that needed to be done but did confirm the policy was in place. Mrs P had the remedial work done.

Mrs P made a claim in September 2013, when her boiler stopped working and British Gas repaired it. Then in December 2013, Mrs P reported that the boiler was noisy. When British Gas came out the next day, its engineer reported that there were a number of wiring faults with the boiler, which meant it couldn't be repaired.

British Gas said that this would have been present before the initial inspection and that it was not prepared to provide cover for the boiler given this pre-existing defect. It cancelled the policy and refunded Mrs P the premiums paid, less the cost of the previous repair. It also paid an additional £120 as a goodwill gesture.

Mrs P is unhappy with this. She wants British Gas to replace the boiler. Mrs P says that she had to endure a winter with a faulty boiler, which caused hardship to her and her young family. She was told about a wiring issue at the first attendance but this was an unconnected live wire in the attic, unrelated to the boiler. Why did British Gas not spot the other issues then? She had the remedial work that was identified at the initial inspection done and they had cover in place. It is unfair to later cancel that cover.

One of our adjudicators looked into the case. He didn't think it should be upheld. He considered that British Gas was entitled to cancel the policy and didn't have to replace the boiler.

## **my findings**

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

British Gas' policy excludes cover for:

*"Faults which existed before you entered into your agreement with us or faults which we could not, using reasonable care and skill, identify on our First Service of your system or appliance."*

British Gas says that the fault identified in December 2013 was a fault with the 'overrun' not being wired, and other wires being cut and 'tucked into' the boiler. It says that this wouldn't have been identified during the first inspection, as it would not have presented itself until the boiler had over heated. I have no reason to doubt that this couldn't have reasonably been spotted at the first visit or that it was present then.

Mrs P says that as this fault was not identified during the initial inspection it is unfair to cancel the policy. However, the policy term set out above allows British Gas to do just that.

I can see why Mrs P may consider it unfair, given that she thought she had cover in place. However, insurance such as this is intended to cover unforeseen events which happen while the insurance is in place. I therefore don't think it is unfair for British Gas to decide it doesn't want to continue cover the boiler, having found that the fault is due to an issue that existed before the policy started.

Given that I don't think it needed to repair the boiler, it follows that I don't think British Gas is responsible for the inconvenience and discomfort caused by the problems with the boiler.

However, I don't think British Gas was entitled to cancel the policy without consent, the policy terms don't provide this as a reason why it can and there was other cover, not just for the boiler, that Mrs P may have wanted to continue. However, Mrs P has not indicated that she wanted the policy reinstated.

British Gas has refunded the premiums paid less the cost of the previous claim. In the circumstances this is not unreasonable. It has also paid £120 compensation. Given that I think it was entitled to refuse to cover the boiler, this seems fair and reasonable to me.

**my final decision**

I do not uphold this complaint against British Gas Insurance Limited.

Harriet McCarthy  
**ombudsman**