

complaint

Mr C has complained about the way British Gas Insurance Limited (British Gas) handled a claim on his home emergency insurance policy.

background

Mr C said he has been a British Gas customer for years so when he moved to a new property he decided to take out another home emergency policy with it.

He says during the call British Gas arranged an appointment for an engineer to inspect the boiler. This was arranged for just under a month later.

The day after the engineer attended the property the boiler broke down. Mr C called British Gas to carry out the repairs. He says at that point he was told that his cover, which included boiler repair, drains cover etc., had been downgraded to "service only". So British Gas wouldn't repair the boiler. He says British Gas told him it was best to replace the boiler due to its age and he agreed.

Mr C said as it was very cold and as he has a young family and lives with his elderly parents, British Gas told him his boiler would be changed as a priority. But he didn't receive any calls back from British Gas to arrange this and it was eventually replaced five days after the breakdown.

Mr C wasn't happy his policy had been downgraded without his knowledge and that British Gas didn't repair his boiler. He also said there were delays which caused him and his family a lot of distress and inconvenience that he wanted to be compensated for.

British Gas considered Mr C's complaint but only upheld it in part. It said it had told Mr C that the initial appointment was in order to make sure the boiler is one it could insure. It said when it inspected the boiler it found that it had pre-existing faults so it couldn't cover it. It accepted that there were some delays and paid Mr C £150 as a goodwill gesture and returned the premium payment he'd made back to him.

Mr C then complained to us and asked for compensation as well as a refund of the cost of the boiler. Our adjudicator didn't uphold the complaint. He said the boiler replacement wasn't part of Mr C's insurance contract so we couldn't consider it or the delays in arranging it. He agreed that British Gas had warned Mr C there was a possibility his boiler wouldn't be covered so he didn't think it acted unfairly.

Mr C didn't agree and asked for an ombudsman's decision. He said the previous owner of his new home was also a British Gas customer and said he hadn't had any problems with the boiler. He says British Gas didn't tell him there were any problems either. He added it was too much of a coincidence that the boiler broke down a day after British Gas's visit. And that it had been working perfectly until then and this was confirmed by the workmen he had at the house.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've decided not to uphold it.

As our adjudicator said, the new boiler installation wasn't part of Mr C's insurance contract. For that reason I can't consider that part of his complaint or the delays that preceded the installation.

Mr C's policy says that during the first service the engineer will check a number of things including whether the boiler has pre-existing faults. If it has pre-existing faults it may cancel the policy, offer alternative cover or tell the customer what they can do to fix the boiler and how much it would cost.

Mr C said British Gas told him that the first visit was a servicing appointment and not an inspection. I've listened to the relevant call. The advisor said British Gas would carry out the first service to see if the boiler could be placed on cover and this will be the annual service for the year. He added if British Gas couldn't cover the boiler it would cancel cover and discuss alternative options and if it did cancel cover it would refund any premiums. This was also repeated in the letter British Gas sent Mr C after he took out the policy.

Based on the above, I think British Gas did enough to make Mr C aware of the fact that there was a possibility that his policy might be cancelled depending on the state of his boiler.

Mr C says the boiler was working fine until the day after the appointment. And he says it is coincidental that the boiler broke down after British Gas's inspection. I appreciate the timing was unfortunate. And I have no reason to doubt that the boiler was working fine for the short amount of time Mr C was at the property.

But British Gas's engineer, who is the expert in these circumstances, said in his notes that the boiler wasn't working to standard and was unsafe. He also said that even if it had been repaired it would've kept breaking down so he recommended that it be replaced. British Gas also said it believed the boiler was 28 years old.

As I haven't seen any expert evidence to contradict what British Gas's engineer said I think, on balance, that British Gas acted reasonably when it said it wouldn't cover the boiler. British Gas has refunded Mr C's premium and as it wasn't offering Mr C cover I think that's reasonable.

Mr C's policy was downgraded and he's unhappy this was done without his knowledge. As I said above I think British Gas did enough to put Mr C on notice this might happen when it told him that if it couldn't cover the boiler it would consider alternative options. I appreciate Mr C didn't find this out until he called British Gas himself the next day. I don't think British Gas delayed telling Mr C especially as it didn't know the boiler had broken down until he called. But it did delay refunding his premium and it has paid him £150 as a goodwill gesture for its overall service. In the circumstances, I think this is reasonable.

Mr C said neither the previous owner nor British Gas mentioned there were problems with the boiler at the time he took out the policy. I appreciate British Gas wouldn't have shared information about a third party policy for security and data protection reasons and I think this is reasonable.

Mr C said if British Gas hadn't done anything wrong it wouldn't have given him any compensation. I appreciate this is how he feels but I don't think, in this case, that the goodwill gesture means British Gas has to pay the cost of Mr C's new boiler or pay him further compensation.

I appreciate Mr C will be disappointed with my decision. And I can understand he found himself in a difficult situation so soon after moving to his new property. But for the reasons I've given, on the whole, I don't think British Gas acted unfairly or unreasonably. If it's any consolation to Mr C his policy wouldn't have covered the cost of a new boiler in any event.

my final decision

For the reasons above, I'm not upholding this complaint other than to say the £150 compensation and the premium refund British Gas Insurance Limited paid Mr C are reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 December 2018.

Anastasia Serdari
ombudsman