

complaint

Mr B complains that British Gas Insurance Limited ("BGI"):

1. provided poor customer service when he had issues with his central heating boiler and called on BGI under his home emergency policy; and
2. shut down his central heating boiler as dangerous which led him to replace it unnecessarily.

background

Mr B owned a property which was rented to tenants. He took out a home emergency insurance policy with BGI to cover the boiler and central heating system at the property. In December 2017 his boiler stopped working and he called on BGI under his policy.

BGI's engineer came initially on 13 December 2017. But in the course of carrying out the repairs BGI missed several appointments and left Mr B's tenants without heating over the Christmas period. The boiler was finally repaired on 30 December 2017.

On 18 January 2018, another BGI engineer arrived at the property to carry out an annual service on the boiler. He said the boiler casing had badly corroded. He classified the boiler as immediately dangerous and capped it to prevent further use.

Mr B was left with the impression that he needed to replace the boiler. He says he phoned BGI to ask when it would be able to send someone to sort it, and was told it would be at least a month. BGI didn't tell him the boiler might not need to be replaced.

Faced with the need to provide heating for his tenants Mr B instructed a third party heating engineer, whom I'll call "T", to replace his boiler at a cost of £2,058. Only when this had been done did T tell Mr B that the old boiler could have been repaired.

Mr B complained to BGI. It accepted his complaint about poor customer service initially and offered him compensation of £280 for this, which Mr B accepted.

BGI said that because of the boiler's condition its engineer was right to stop it being used on 18 January 2018. But BGI hadn't advised Mr B to replace the boiler. If he had queried this with BGI, it would have arranged a second opinion to see if the boiler could be repaired rather than replaced.

Instead Mr B had instructed T to replace his boiler. So BGI didn't agree that it should contribute to the replacement cost.

Our adjudicator recommended that this complaint should be upheld. He thought the compensation BGI had offered for the service issues was fair in the circumstances. However BGI's engineer told Mr B the boiler was unsafe and he capped the gas supply so he couldn't use it. Because BGI didn't tell him at the time the boiler was repairable, the investigator didn't think it was unreasonable for Mr B to conclude it was dangerous and needed replacing.

Mr B said that had he been given correct information at the time he would have repaired the boiler and wouldn't have incurred the cost of replacing it. He now had a new boiler in his

property. The investigator also thought T should perhaps have told Mr B the boiler didn't need replacing before installing the new boiler.

Because of this, and the fact Mr B would have the benefit of a new boiler in the property, the investigator thought BGI should contribute half the replacement cost of the boiler, that is £1,029, subject to Mr B producing an invoice showing the replacement cost.

Mr B accepted the adjudicator's recommendation. BGI responded to say, in summary, that it would have expected Mr B to contact it when he became aware the boiler was repairable. It would have visited the property to ensure its initial diagnosis was correct. It also thought T was in a position to have stopped the installation.

BGI did accept it had got things wrong. Mr B now had the benefit of a new boiler. While the existing boiler might have been repairable, it was old and would have needed to be replaced sooner rather than later. So BGI offered compensation of one third of the replacement cost (£617.40) in addition to the £280 it had already offered.

Mr B didn't accept this offer. So this complaint has been passed to me to issue a 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.

Like the adjudicator, I think the £280 compensation BGI offered for the service issues was reasonable in the circumstances, and Mr B has accepted this. So I won't comment further on that part of the complaint.

No mention was made of the boiler casing being corroded and dangerous by BGI's engineers who worked on the boiler in December 2017. It therefore came as a shock to Mr B to be told on 18 January 2018 that it was so dangerous that use must stop immediately. BGI's engineer didn't suggest the boiler might be repairable. Mr B says he did contact BGI to see when someone could come and sort it, but was told it would be at least a month.

I don't understand BGI's comment that Mr B should have contacted it when he became aware that the boiler was repairable. According to Mr B this only happened after the new boiler had been installed. So I'm not sure what BGI could have done at that stage.

In the circumstances he was faced with on 18 January 2018, and in the light of BGI's recent service failings, I don't think Mr B acted unreasonably in arranging for T to quickly install a replacement boiler. I note the invoice for this, which Mr B has supplied to this service, is dated 23 January 2018.

I agree that Mr B has the benefit of a new boiler in place of one which he probably would have to have replaced anyway before too long. T could perhaps have told Mr B sooner that the old boiler could be repaired. But I don't know the circumstances of what he was instructed to do.

All in all, like the adjudicator, I think it's fair and reasonable that BGI reimburse Mr B one half of the cost the replacement boiler - £1,029, in addition to the £280 it has already offered. I also think BGI should pay Mr B interest on this £1,029 at the yearly rate of 8% simple, from the date he paid the invoice for the replacement boiler until settlement.

my final decision

My decision is that I uphold this complaint, and order British Gas Insurance Limited to pay Mr B:

1. compensation of £280 for its poor service, unless it has already paid this;
2. £1,029, being half the replacement cost of the boiler; and
3. interest on £1,029 at the yearly rate of 8% simple, from the date Mr B paid the invoice for the replacement boiler until settlement. ⁽¹⁾

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 October 2019.

Lennox Towers
ombudsman

⁽¹⁾ If BGI considers that it's required by HM Revenue and Customs to withhold income tax from that interest, it should tell Mr B how much it's taken off. It should also give Mr B a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue and Customs if appropriate.