

complaint

Mr R complains about the standard of work carried out by British Gas Insurance Limited (BG) under a HomeCare Three Agreement. He says there was a lack of reasonable care and skill in the services provided.

background

There is a detailed background which I don't intend to rehearse in full. I issued a provisional decision in September 2020 setting out the main points of the background circumstances. Other email correspondence has taken place and I've summarised the main points with what Mr R says;

- Mr R called out BG after a pilot light had gone out on his boiler. An engineer condemned the boiler as unsafe and disconnected it
- BG said the engineer had identified a carbon monoxide 'spillage' from the boiler and the combustion chamber was cracked
- Parts couldn't be obtained and so the boiler couldn't be repaired
- *Mr R doesn't accept there was evidence of a spillage, or the chamber was cracked, or that parts couldn't be obtained*
- *He says the engineer didn't try to reignite the boiler or take any readings*
- *And he says as other gas appliances were left connected there can't have been a gas leak*
- BG attended a second time to discuss quotes for a new boiler and a separate contract was agreed to install a new boiler including extras such as a 'Powerflush' and magnetic filter – this was separate to the insurance contract and not covered under the policy
- The boiler was installed but neither of the 'extras' were completed, and BG offered to rearrange fitting or credit the amount back to Mr R
- *Mr R was unhappy with the pipework installation*
- *He says the engineer told him there was a gas leak, which he found odd as nothing was said by the original engineer*
- *The installing engineer couldn't take a reading because his meter wasn't working and asked for replacement batteries, but this didn't rectify the meter issue and the engineer called the Nation Grid*
- *He says the engineer told him the first engineer who attended and condemned the boiler caused the gas leak*
- *He thinks a (leak) reading of 18mbar is a fabrication*
- *And it was because of the gas leak that required the installation of new pipes, which were installed on the outside of the property*
- *If the pipe was damaged, it could only have been the installing engineer who caused it*
- Other work was identified as needing done which would be covered by the insurance contract, which included a leaking hot water cylinder necessitating a replacement
- *Mr R was unhappy with the delay in BG ordering and installing the cylinder, and the lack of temporary repair meant he had to continually mop up the leak*
- Other issues Mr R included in his complaint concern;

- National Grid's failure to affix a legal notice on a dangerous appliance;
- an independent engineer instructed by Mr R apparently saying there can't have been a gas leak before the installation engineer attended as the first engineer would have carried out safety checks;
- the old pipe work wasn't capped as it should have been

In my provisional decision I explained why I was satisfied by the engineer's information, on the balance of probabilities, that the boiler combustion chamber was cracked, which would lead to 'spillage' and the boiler being declared unsafe and dangerous. I also said why I was persuaded by information from BG that parts for the boiler, which ceased production in 1988, and were obsolete from 2005 and so unavailable. On this Mr R says parts can be obtained, it's just BG can't get them from its supplier, and points to a 'Which' report about misinformation.

I explained what I thought about the hot water cylinder; that BG was responsible for misinformation; delays of around five weeks in fitting the cylinder; missing a scheduled appointment; and the consequence of this was that Mr R had to stay on top of the leak by mopping it up to prevent further damage. BG had offered Mr R £310 compensation to cover several issues including the cylinder. But I thought £500 additional compensation was fair to reflect Mr R's circumstances of vulnerability and the distress and inconvenience of having to keep on top of the leak in the absence of a temporary repair being considered.

I also explained there were aspects of the complaint that I couldn't consider, the installation of the new boiler done under a separate contractual agreement. I also included within that section of the provisional decision the gas leak at installation. Mr R appears to accept that I can't consider the boiler installation, but he says the gas leak is something covered under the insurance agreement and indeed he says the pipework installation was a result of the gas leak.

I've reflected on what Mr R has said as well as the insurance contract. There is cover for the gas supply pipe, which is defined as the pipe that goes from the gas meter to the gas boiler and other gas appliances. And so, I wrote to the parties explaining that I could look at the pipework installation after the gas leak had been identified. Mr R says the engineer arrived, removed the old boiler and installed the new boiler. And it was shortly after the new boiler had been installed that the engineer told him there was a gas leak. Mr R's adamant this engineer could be the only one to have caused the gas leak and it was on this basis that new pipes were installed.

Mr R has provided further replies, including a copy of a letter dated 23 February 2020 that he obtained from a gas engineer who carried out some work for him.

my decision on what I can't consider

I remain satisfied that the work carried out under the private contract to supply and install a new boiler is not a matter I can look at. This work was not carried out under a contract of insurance and doesn't fit into the activities that we have jurisdiction to look at.

As I explained in my provisional decision, the rules under which we operate (Dispute Resolution rules (DISP) contained in the FCA Handbook) say that the ombudsman can consider a complaint under the Compulsory Jurisdiction, which BG is within, if it relates to an act or omission by a firm in carrying on one or more of a list of specified activities (DISP 2.3.1). Within that specified list includes;

- Effecting contracts of insurance
- Carrying out contracts of insurance
- Assisting in the administration and performance of a contract of insurance

The boiler was not replaced as part of the contract of insurance. From the information I've seen the replacement boiler work was quoted at £2,537 and Mr R paid a 10% deposit by credit card. This work, which included a 'Powerflush' and filter, was clearly not part of a contract of insurance. And as such, it's not an activity against BG that I can consider in this complaint.

The insurance contract covers gas leaks like the one apparent in Mr R's case. And so, how the gas leak was dealt with, including the new pipework, is something that falls within the specified activities. I asked for replies by 20 November but haven't seen a reply from BG.

my findings

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

Mr R has made many points and provided various explanations as to why he thinks he is right, and why BG has treated him unfairly. I've read all the extensive information, but I do not intend to cover absolutely everything that Mr R has raised or answer every question he wants answered. At its heart, the complaint I can deal with is about the service BG gave under a contract of insurance. Mr R may have other available avenues to challenge some of the issues he's unhappy with, such as but not limited to going to Ofgem about C. And if he considers BG made breaches of consumer protection law then he may consider a legal route or indeed protection available under the Consumer Credit Act 1975 if applicable.

So, without any disrespect to the totality of what Mr R is concerned about, the main points of what he disputes for the purposes of this complaint that I can determine, centre on the following;

- whether there was a carbon monoxide spillage
- whether the combustion chamber was cracked
- whether parts for his boiler were obsolete
- whether there was a gas leak on the day that his boiler was installed
- and if there was a gas leak then it could only have been caused by the engineer installing the boiler
- And if this engineer caused the damage to the pipe then he is responsible for putting it right rather than installing pipework on the outside of the building
- C did not cap the gas pipe or affix a condemned sticker to the meter
- If I can't look at a complaint about C, then it's contradictory to use and quote their information

Carbon monoxide spillage and cracked combustion chamber

Mr R has sent us documentation which was completed and given to him by BG's engineer when he called for assistance with his boiler. In that documentation it specifically states that there was a crack in the combustion chamber and there had been a 'spillage' into the room. The engineer noted that the boiler was 'immediately dangerous'.

I've considered what Mr R has told us including that his carbon monoxide alarm hadn't activated and that he examined the combustion chamber at some point, but he couldn't see a crack.

However, I am more persuaded by the documentation Mr R has sent us that it is more likely than not there was a carbon monoxide spillage and the combustion chamber was cracked. I find the engineer's comments as recorded at the time more persuasive given their expertise in the relevant field.

To conclude that there was neither a spillage or cracked chamber I'd need to be satisfied the engineer's observations were a genuine mistake, or they were intentionally recorded incorrectly. I'm not persuaded either is the case. Although Mr R says his alarm didn't sound, I don't find that more persuasive than the engineer's notes recorded at the time.

Availability of boiler parts

Regarding whether the boiler could be repaired, BG has said the boiler stopped production in 1988 and parts became obsolete in 2005. On this Mr R says parts can be obtained, it's just BG can't get them from its supplier, and points to a 'Which' report about misinformation. No evidence has been presented to show the parts required for Mr R's boiler were available to BG. And the 'Which' report is not specific to Mr R's boiler or his particular circumstances.

BG has been consistent from the outset that parts weren't available. Given the date the boiler apparently ceased production I accept what BG has said that parts were obsolete from 2005. I've thought carefully about Mr R's point that parts were available it's just BG uses a limited supplier route. It's not unusual for businesses like BG to use specific suppliers, and indeed this is a practice that goes beyond home emergency policies. I can't rule out absolutely that some parts may have been available. But I don't need to in order to decide this point on the balance of probabilities, and I don't think BG is required to search every website or contact every boiler parts supplier. Had information been presented to BG showing the availability of parts I would have expected BG to consider that, but such information wasn't available at the time.

The gas leak

Mr R is adamant that there wasn't a gas leak, and if there was then it was caused by the engineer who installed the new boiler. I explained to the parties in an email after my provisional decision that I acknowledged there is no documentary evidence of a reading. The crux though is whether there was a gas leak – and if so, what impact that had on the pipe installation.

The information Mr R provided from a company representing (I'll refer to as C) the National Grid shows that its engineer attended his property after a report of an internal gas escape. I accepted this is most likely to have been reported by the engineer who had installed the new boiler under the private contract of works. C said that its engineer carried out necessary checks and found a leak on the internal pipework. C's engineer capped the meter outlet to make the situation safe and left the property, apparently within an hour of first arriving.

C was acting independently of BG and so C is responsible for its own actions. C pointed out to Mr R that it is regulated by Ofgem and more information is available at <https://www.ofgem.gov.uk/about-us>. So, concerns about what C did, or didn't do can't be looked at by us. However, the information Mr R obtained from C and which he has presented

to us is material I can take into account when reaching my decision. It is information recorded by a company who had a representative attend Mr R's property. And Mr R has presented that to us.

Mr R has made numerous points about information from BG to him which states there was a 18mbar drop noted by the engineer who had installed the boiler. I acknowledged that such a reading isn't available in a documentary format, other than what BG has said to Mr R in correspondence. And BG has acknowledged that a statement about the duration of the gas leak was incorrect and that issue was handled internally between the engineer and his manager. However, while I am not satisfied BG has been able to demonstrate a 18mbar drop, I am satisfied on the balance of probabilities that there was a gas leak.

In reaching my decision that there was a gas leak I have taken into account the information Mr R has sent us. This information includes correspondence from C to Mr R saying that one of its engineer's attended his property to a report of an internal gas escape. C's engineer found a leak on internal pipework and capped the meter outlet to make the situation safe. And as Mr R knows, BG installed new pipework to facilitate the completion of a safe gas supply. Mr R believes the gas leak was a fabrication but for the reasons I've explained I'm not so persuaded.

If the leak only became apparent at the installation visit, Mr R asserts that it could only have been caused by the engineer installing the boiler. Even if accepting that, the issue is that it was done during installation of a new boiler under a private contract between Mr R and BG. It wasn't part of a regulated activity that I have jurisdiction to look at. So, I'm not looking at how or if the installing engineer caused the gas leak. I can though, as I've explained to the parties, look at *how* the gas leak was dealt with as the insurance agreement covers dealing with a gas leak.

After the gas leak had been identified and dealt with the engineer installed new pipework under the insurance contract and it's this new pipework that Mr R is unhappy with. He says he was told at the survey before installation that his existing pipework could be used. But the newly installed pipework is affixed to an outside wall where the original pipework wasn't. The issue I have to decide is whether his was a reasonable course of action under the insurance contract.

From the information provided, BG has said the leaking pipe wasn't easily accessible. And it's because of this that new pipework was installed. It seems counter-intuitive to install new pipework where that wasn't necessary. And I don't accept the gas leak was fabricated. To do so I'd have to accept the engineer and C conspired to maintain the existence of a non-existent gas leak. So, I'm satisfied there was a leak, even though there's no formal reading of 18mbar, and BG acted reasonably by installing new pipework.

Hot water cylinder

BG accepted that it was responsible for some misinformation about where the cylinder was sourced from, some delays of around 5 weeks in fitting it and missing a scheduled fitting appointment. During this time Mr R has said he had to stay on top of the leak in the cylinder to prevent further damage. BG has offered Mr R £310 compensation to cover several matters aside from the cylinder issues.

Given Mr R's circumstances of vulnerability, of which BG was aware, I accept what he suffered distress and inconvenience in having to continually keep on top of the leak to

prevent further damage from the water. And BG hasn't put forward any persuasive reason as to why a temporary repair wasn't at least considered or attempted. A temporary fix would have alleviated the inconvenience and distress that Mr R suffered. And if such a fix couldn't have been done, then I think it even more necessary that BG installed a replacement as a matter of priority. In these circumstances I'm satisfied £500 is fair. From BG's notes it appears that part of its compensation offer (£310) included £50 for a missed fitting appointment for the cylinder. I'm satisfied £500 in addition to what has already been paid is fair and reasonable in all the circumstances. And if the £310 hasn't been paid or cashed then BG must send that amount to Mr R.

In Mr R's replies and information there are various points he's made which he thinks we should investigate further. For example, he says the BG's subcontracted engineer who installed the new boiler changed his story about the gas leak.

Having looked at all the information we've been sent, I'm not persuaded I need to interrogate these aspects beyond the information we've received to decide what I consider to be fair and reasonable in all the circumstances. There's a significant amount of material available and I'm satisfied it's sufficient to enable me to reach such a determination. And what was or wasn't said between Mr R and the engineer is not determinative in and of itself. It's a part of the evidential background and for the reasons explained I'm satisfied, on the balance of probabilities, of the following matters;

- The was a carbon monoxide spillage
- The combustion chamber was cracked
- Parts weren't available to BG
- There was a gas leak
- How that leak was dealt with under the insurance contract was reasonable
- BG didn't do enough to resolve the leaking hot water cylinder efficiently and £500 compensation fairly reflects the distress and inconvenience caused.

my final decision

My final decision is that I require British Gas Insurance Limited to do the following;

- Pay Mr R £500 compensation for distress and inconvenience
 - British Gas Insurance Limited must pay this compensation within 28 days of the date on which we tell it Mr R accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.
- If not already paid or cashed, send Mr R the original £310

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 27 December 2020.

Sean Hamilton
ombudsman