

complaint

Mr A complains about the service he received from British Gas Insurance Limited under his home emergency insurance policy.

background

Mr A has a home emergency insurance policy with British Gas (BG) which covers the boiler and central heating system, amongst other things, for a house which he owns and rents out.

From September 2017, Mr A had problems with the boiler at the property. BG's engineers visited on a number of occasions between then and April 2018 to try to fix the problems.

Mr A wasn't happy with the service BG provided – and in April 2018 he terminated his contract with them. He says there were a number of cancelled appointments, delays, and poor service generally. This meant his tenants were without heating and hot water for much of the winter period.

Mr A says this not only cost him the good will of his tenants – who threatened to take him to court – but also meant he had to pay for hotel accommodation for them for six nights during March and April 2018.

He also says the policy was mis-sold, in that BG didn't provide the promised – and contracted – service. And he says he wasn't able to get BG to acknowledge that his tenants were vulnerable because they had young children and were without basic facilities.

Mr A complained to BG. They acknowledged elements of poor service, including cancellations and delayed appointments. And they offered Mr A £300 to reflect his trouble and upset.

BG also said, however, that the on-going problems with Mr A's boiler at this time were due to sludge and scale in his central heating system. They said they'd told him about this in September 2017 and advised him that the solution was to have a power flush of the system carried out. They said the problems after September only arose because Mr A didn't act on this advice.

There's no dispute that Mr A's policy does not cover problems caused by sludge and scale.

Mr A wasn't happy with BG's response, so he complained to us. He said he'd heard nothing about the sludge and scale issue until January 2018. He said at that point, his tenants told him that a BG engineer told them a power flush was required and said BG would be in touch with Mr A to arrange it. Mr A says BG didn't in fact contact him about this issue until March 2018.

Our investigator looked into it and upheld the complaint. She thought BG should reimburse Mr A for the tenants' hotel stays he'd paid for. And she thought their offer of £300 was insufficient to cover the amount of trouble and upset Mr A had experienced and should be increased to £500.

BG didn't agree and asked for a final decision from an ombudsman.

Mr A has also contacted us to say that he disagrees with the proposed outcome. He thinks the compensation suggested is still insufficient. He had previously told us he'd replaced the boiler – which was ten years' old – in April 2018 – and may not have had to do so had BG told him about the need for a power flush earlier.

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 A has made previous complaints to BG – and to us about BG. It's important that I'm clear at the outset that the any complaints made to us in the past have been resolved. I can't re-visit them now – and I can't take them into account in deciding what outcome or compensation is fair and reasonable in this particular case.

Mr A has also been advised that we can't consider his argument that BG shouldn't be allowed to offer these services to the general public. It's our role to look at individual complaints and – where we see mistakes have been made – to consider what the business needs to do to put things right for the individual customer. Mr A is aware that he can raise broader issues with the Financial Conduct Authority.

So, I'm only looking at the service offered to Mr A by BG between September 2017 and April 2018. And I need to consider what impact any failings on BG's part in that period have had on Mr A.

There's no doubt in this case that Mr A has received poor service from BG. They've admitted as much and agreed to pay him £300.

The question for me now is about the extent of that poor service and whether it caused Mr A trouble and inconvenience throughout the relevant period – and/or caused him to have to pay for his tenants' alternative accommodation.

I also have to bear in mind that we do – within reason - expect customers to act in such a way as to mitigate the losses they suffer when a business has made an error.

It seems to me that BG are suggesting their errors would have caused only minor inconvenience to Mr A if he'd acted reasonably – and swiftly - after they told him about the need of power flush of the central heating system.

Although they admit to cancellations and delays – albeit at a busy time of year and in a very severe winter – they're essentially suggesting that Mr A's tenants would have had heating and hot water for most if not all of the colder months if their advice had been heeded in September 2017.

I should say that if I thought BG had offered that advice to Mr A in September 2017, I would be likely to agree with their argument to a great degree. However, on the basis of the evidence and information we've got, I think it's very unlikely they did offer that advice at that time.

When BG's engineers attend a customer's property, they fill out a job sheet, which they then pass to the customer. The examples we have contain a series of tick boxes to indicate what the broad problem might be, followed by spaces for engineers to make any comments. Usually, these are filled in with a clear indication of what's wrong and what's been done – or needs to be done – to put it right.

Mr A has provided us with the job sheets from the visits made by BG engineers to his property in the relevant period. The first mention of sludge, scale or the need for a power flush is on a job sheet from March 2018.

BG also have system notes which show what work the engineer carried out on each visit. For the relevant visit in January 2018, the system notes show "P / flush REO". I assume this to be a reference to a recommendation that a power flush be carried out. The system notes for September 2017's visits have no reference at all to a power flush – or any abbreviation or code which might be intended to refer to a power flush.

BG said there were system notes from 2014 which mentioned sludge and scale – and that Mr A should have taken action after that visit. But the system notes don't say that Mr A was advised – or if so exactly what he was told. And BG visited the property many times after that and before September 2017 and there's no evidence that on any of those occasions they raised the issue again.

We know BG first offered to carry out the power flush for Mr A in March 2017 – we've got copies of the quote they sent him by email. So, I'm satisfied it's very likely that Mr A's version of what happened is accurate. The power flush was first mentioned to his tenants in January 2018 – and BG carried out their promise to contact him about this only in March 2018.

At that point, Mr A agreed the quote, but was later informed the procedure couldn't be carried out until early April 2018. There was some contact between Mr A and BG after that, when he was trying to get an earlier appointment.

BG have made much of the fact Mr A told them on one occasion not to carry out the power flush until they'd resolved the complaint he'd made to them. They imply this slowed down any resolution – or at least shows Mr A was not concerned to get the earliest possible resolution.

But this happened in late March, towards the end of the relevant period – and Mr A contacted BG the next day to chase the date for the visit (so had clearly changed his mind). In any case, there's no suggestion this affected BG's proposed date in any way.

So, although I think Mr A might have been more proactive and contacted BG when he'd not heard from them after his tenants passed on the message in January, I'm satisfied BG are responsible for most of the delay in Mr A getting his boiler and heating fixed.

BG knew about the underlying problem in September 2017. There's no evidence they told Mr A or his tenants about this until January 2018. And then they took until March 2018 to contact Mr A as they'd promised. And I have to say, in that context it is unfair for BG to suggest – as they have – that Mr A could have got the repair carried out earlier if he'd gone to a different supplier in March after they gave him the April date for the power flush.

BG should have provided advice direct to Mr A (not via his tenants) in September. And if they had done so, the boiler would have been fixed before the worst of the winter weather arrived and Mr A would not have had to pay for his tenants to stay in a hotel when the weather was particularly severe.

I don't think I can reasonably hold BG responsible for the fact that Mr A chose to replace his boiler in April 2018. It clearly hadn't been fully functioning in September 2018 and thereafter – so any additional damage to the boiler after September due to the sludge and scale can only have been marginal.

Bearing all of that in mind, I agree with our investigator that BG should pay Mr A £380 to reimburse him for the costs incurred by his tenants.

I also agree that £500 – rather than the £300 offered by BG – is fair and reasonable in the circumstances. BG were offering £300 for the delays and inconvenience they accepted they'd caused – and they were denying responsibility for the problems persisting through to April 2018. I think they are responsible for much of that delay and I think they should therefore pay more in compensation to Mr A.

I believe BG may have already paid Mr A the £300 they offered. For the sake of complete clarity, if that is that case, I'm not suggesting they pay a further £500. The compensation should be £500 in total.

I suspect that when Mr A says the policy was "mis-sold", he means BG didn't provide the level of service they advertised. I think that's true – even though the policy clearly doesn't set out any specific timescales within which repairs will be carried out - but I think I've dealt with that above and suggested what I think is fair compensation for the poor service BG gave Mr A.

I agree with Mr A that in these circumstances, BG should take customers' vulnerability into account. This might mean they pay for alternative accommodation whilst problems are sorted out – or prioritise repairs in some cases. BG tell us they do ask customers about whether they're vulnerable and I have no evidence to suggest that isn't the case.

And we don't have any evidence in this case that BG were unwilling to consider the vulnerability of the tenants – or knew they were vulnerable but didn't take action. In any case, I am now suggesting that BG pay for the tenants' hotel accommodation during the relevant period.

my final decision

For the reasons set out above, I uphold Mr A's complaint.

British Gas Insurance Limited should:

- pay Mr A £380 to cover the costs incurred by his tenants (plus 8% interest simple from 3 April 2018 – when Mr A first paid his tenants' costs - to the date this payment is made);
- pay Mr A £500 compensation in total for his trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 February 2019.

Neil Marshall
ombudsman