

## **complaint**

Ms C complains that British Gas Insurance Limited misdiagnosed a fault with her warm air system when carrying out an annual service under her insurance policy.

## **background**

Ms C held a 'Homecare' insurance policy, underwritten by British Gas.

In November 2011, a British Gas engineer attended at Ms C's property to complete an annual service of her warm air system. The engineer identified that the heat exchanger was cracked and as a result disconnected the system, deeming it to be dangerous.

Ms C says British Gas' engineer did not complete the annual service and advised her it would cost approximately £4,500 for a new system to be installed.

Ms C subsequently appointed a private engineer, who identified that the heat exchanger was not cracked. Ms C paid £187.20 to her private engineer to carry out a full service and install a ventilation grille.

Unhappy, Ms C complained to British Gas, who refunded one year of policy premiums (£215.26) as a gesture of goodwill. However, as Ms C remained dissatisfied, she brought her complaint to the attention of this service for consideration.

Following our involvement, British Gas offered to reimburse Ms C for her private engineer's costs in determining that there was no fault with the heat exchanger, upon submission of a further invoice confirming a breakdown of the charges involved. However, a breakdown of Ms C's private engineer's invoice was not received.

Our adjudicator did not recommend that Ms C's complaint should be upheld. Ms C did not accept our adjudicator's recommendations and is seeking reimbursement of the money paid to her private engineer, in addition to the premium refund already paid. Ms C says she was unable to use her heating for ten days as a result of British Gas' misdiagnosis and, furthermore, British Gas' actions delayed the sale of her property.

Ms C also says British Gas did not notify her that they no longer repair warm air systems and so believes that her system was not covered.

As our adjudicator was unable to resolve the complaint to the satisfaction of both parties, the matter has now been referred to me for a final determination.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I agree with the conclusions reached by our adjudicator.

The primary role of the Financial Ombudsman Service is to investigate individual disputes where a consumer thinks they have suffered a loss as a result of a business' error.

If a business has made such an error, the consumer should be put back into the position they would have been in, had the error not been made.

In this case, British Gas has acknowledged it made an error when it diagnosed that Ms C's heat exchanger was cracked. Had British Gas not made this error, it would have completed the annual service of the warm air system and Ms C would not have appointed a private engineer, at a cost of £187.20.

British Gas has already paid Ms C £215.26 in respect of this error, calculated with reference to the amount of the annual premium she paid for this policy.

I should explain that policy premiums are not normally refundable on the basis that an insurer has made an error of this nature – this is because the insurer has been “on risk” and the policyholder has had the cover during the period the policy was in force, regardless of whether or not a successful claim has been made.

Therefore, when considering complaints such as this, we would usually recommend that a policyholder should be reimbursed the actual financial loss they have incurred. We will also consider whether any payment of compensation – in addition to the reimbursement of any financial loss – should be made to reflect the distress and inconvenience caused by any error.

Ms C's engineer has not broken down his invoice to show clearly how much of the amount he charged was required to establish that the heat exchanger was not cracked, or for the service. He also installed additional ventilation. Ms C has suggested that this would only have been a nominal amount but it is difficult for me to accept this without verification from the engineer.

I understand that Ms C was unable to use the heating system for ten days, and only had two fan heaters. This also happened while Ms C was in the process of selling her house. She says that it could have caused her to lose the sale, but I am only able to consider events that have happened. However, I accept that this would have already been a stressful time and this situation would have undoubtedly added to that.

In this case the expenses that Ms C incurred (i.e. her engineer's costs) are less than the premium refund already paid. It seems to me therefore that it is appropriate to make a global award to take into account her financial loss and compensation.

Having taken into account all of the circumstances of this case, I am satisfied that the global sum of £215.26 already paid, is not unreasonable and I am therefore not persuaded that any further payment is warranted.

As a final point, Ms C has mentioned that British Gas no longer repairs warm air systems. The terms and condition of Ms C's policy with British Gas provided cover for warm air systems and British Gas has confirmed this position has not changed.

Insurance policies such as this do not however provide cover for upgrades or improvement work such as the installation of a ventilation grille.

**my final decision**

My final decision is I do not uphold this complaint.

I make no award against British Gas Insurance Limited.

Harriet McCarthy  
**ombudsman**