

## **complaint**

Mr H's complaint is about the service provided by British Gas Insurance Limited with regard to a boiler and central heating insurance policy.

## **background**

Mr H took out the policy with British Gas in 2010. The cover includes an annual service of the boiler. Mr H called British Gas out on 21 October 2017 as his boiler was leaking. He says that he discovered water flooding the en suite, boiler area, loft area and also damaging the lounge below, in the early hours of the morning.

An engineer attended, repaired the leak and also serviced the boiler (as it was due in the next couple of weeks). However, the leak recurred several times over the next few days. I understand British Gas attended at least five times in total but still couldn't properly repair it.

The leaks caused damage to Mr H's property and he had to make a home insurance claim for the cost of refurbishment. Mr H decided that the boiler should be replaced, as the leaks had not been properly repaired and he and his wife were having to endure living without heating and hot water each time a leak occurred. I understand the new boiler was fitted in mid-November 2017.

Mr H says the damage to the boiler, which caused the leak, was caused due to previous work done by British Gas and/or its failure to pick up problems during the annual services. I have summarised the points Mr H has made below:

- When he first contacted British Gas in October 2017, it incorrectly told him there was no cover in place.
- He had to call out British Gas four more times within days as each time they repaired it, a separate leak occurred in differing areas of the boiler.
- After the fourth appointment the engineer said he needed a part which he could not fit until the next day. He left the boiler switched off and with the base plate removed. Mr H says he looked under the boiler after the engineer left and saw a substantial area of rust and corrosion that was obvious when looked at from below and had clearly been there for some considerable time. If he could see it so easily, the qualified engineers that had seen his boiler before this must have seen it too.
- The central heating pipe from the boiler had also completely rusted and the washer had broken, which had obviously been caused by water escaping past the threaded connection just in front of the washer; the rust and corrosion was beneath this connection. The threads also bore evidence of ptfе tape having been wrapped around it. The tape obviously did not form a seal and water had been leaking for some considerable time, as there was rust and corrosion around the area.
- When Mr H asked the engineer about this the next day, he was told that boilers often get rusty but it is not always necessary to report it to the householder or British Gas. Mr H was shocked by this and thinks most consumers would be as well.
- British Gas would not contribute to the cost of the new boiler, on the basis that Mr H had chosen to replace it and his old boiler had been in working order (until it leaked). This added insult to injury.
- A discount was provided but this was available for anyone who ordered a boiler by a certain date. He was not given a specific discount, which he would have expected given the problems he'd experienced and British Gas's failure to notify him of the "*impending doom*" of his boiler during any of the annual services.

- British Gas says the damage could have been caused before it came on cover but even if that's the case, it should have reported the damage to him when it was inspecting the boiler.
- British Gas also told him that this the damage might have happened between the last services but an examination of the boiler would show that the damage was some years old and that it would have been visible during boiler servicing. The last service was in November 2016 and the rust and corrosion must have been apparent then, as it takes time to build up.
- The ptfe sealant tape must have been put there by a British Gas engineer, having spotted a leak, and not reported to him.
- If he had been made aware of the issues with the boiler, he'd have replaced it immediately, as he did when it was eventually discovered and admitted to by the engineers attending in 2017, and this would have avoided the subsequent burst and flooding of the property.
- The first leak on 21 October 2017 caused damage to the boiler, damage to the en suite, damage to the loft area which it ran into and caused the damage to the lounge ceiling beneath the loft. The ceiling bowed and split and had to be replaced with the consequent damage to the room itself which had to be completely repaired and redecorated over many months. This was in winter and the doors and windows needed to be kept open with little, if any heating some days.
- He and his wife (both over 70) could not leave the house, as they had to empty water from the loft every 12 hours until the full repairs to the boiler and en suite were completed.
- The boiler system had been installed by a qualified heating engineer and the British Gas engineer came to visit the property, examined the work done and states, quite categorically that he had not seen such a good job done before, requesting the details of the installer.
- This situation caused immense psychological disturbance and upset, which included: disturbance of sleep pattern, averaging three to four hours sleep per night, while checking and rechecking the boiler for leaks. The boiler is still being checked, the occupants suffering from symptoms of anxiety; lack of appetite and worry – he lost a stone within the four week period when this took place; feelings of sickness, increased heart rate and higher blood pressure. They were also unable to have their family visit them because of the work that had to be done to their home.

Mr H wants British Gas to reimburse the cost of the new boiler (£3,475.16); the £250 excess he had to pay for the household insurance claim; the cost of a spare part for the boiler which stopped condensing water flowing into the saniflo system; £71 he paid for an engineer to check the en suite shower which had been affected by all the work taking place (no repairs were required but he made some adjustments). Mr H says this has cost him over £10,000 in total, as well as having had a detrimental effect on his and his wife's health. He is receiving medical treatment and had an operation for a medical problem obviously brought on by these events.

British Gas says:

- the boiler was installed in 2006/7 and it started its cover in 2010, so the tape might have been there before the policy started but it is also possible there was a small leak which one of its engineers repaired with tape. In any event, the tape is not on the part of the boiler that failed and caused the leak in October 2017.
- The last service was in November 2016, 11 months before the leak reported on 20 October 2017 when there was a leaking component on the cold mains. This was a

random failure of a part, which could not be foreseen. There were no signs of wear and tear. It's impractical to expect the engineers to give a definitive length of life on every component in any boiler based on a service visit 11 months before. The component failing 11 months after a service visit is clearly not down to negligence.

- It returned on 21 October 2017 to attend to a further leak and then again for another leak on the condensate trap and after that Mr H said he thought the boiler was no longer reliable and so it arranged for a quote for a new boiler, which Mr H accepted. This was 2 weeks after the original leak.
- Mr H claimed from his house insurance for the property damage, that insurer has paid for the repairs and apparently did not question if British Gas may be liable.

One of our investigators looked into the matter. He concluded that it was more likely than not British Gas had carried out the repair with the tape, as the boiler was still under a five year warranty when Mr H took out this policy and so he would have had a proper repair done under the warranty if the leak had arisen before the policy was taken out. However, he also concluded that it was not established that this repair had caused any of the other leaks. The investigator also was not persuaded that the rust was all there in November 2016, when the boiler was last serviced but also even if it was that as long as the boiler was working fine, this did not necessarily need to be reported or taken further.

The investigator recommended that British Gas pay £150 to compensate Mr H for the upset caused to him when he found out a repair had been completed without his knowledge and that it honour the policy terms which provide that he would be entitled to a discount of the cost of installing a new boiler if British Gas install it. If Mr H didn't receive a discount on the boiler he bought from British Gas – it should refund him that discount with 8% interest for the time he's been out of pocket. This is because after four or five repairs he thought it was reasonable Mr H replaced it and he should not lose out on this discount just because British Gas hadn't yet confirmed it needed replaced.

British Gas doesn't accept the investigator's assessment. It says it provided discounts to Mr H, including a half price boiler, totally around £770. It also says the manufacturer's warranty is only valid if the boiler is regularly serviced and it didn't start servicing the boiler until four years after it was installed, so there's no proof the warranty was valid, and therefore Mr H may not have been able to have had any repair done under the warranty.

Mr H doesn't accept the investigator's assessment either. As the investigator has not been able to resolve the complaint it has been passed to me.

### **my findings**

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

In order to be satisfied that British Gas should pay Mr H for the cost of the replacement boiler, I'd need to be satisfied that it only needed replacing because of something it had done wrong. I don't think this has been established and I'll explain why.

There were apparently leaks from different parts of the boiler. Each time repairs were carried out but Mr H felt they were likely to continue and so decided to replace the boiler. I can understand Mr H's reasons for doing so but there is no independent evidence that the boiler was not repairable at that stage. However, even if it were irreparable British Gas would not

have been required to replace the boiler or provide any contribution towards a new boiler under the terms of the policy.

In addition, there is no convincing evidence that the leaks were due to something British Gas had or hadn't done.

Mr H says if he had been told the boiler was rusted and corroded, he could have replaced it sooner and thereby avoiding this incident. He is adamant that the damage which led to the leak must have been present and visible to engineers long before and certainly by November 2016, when it last serviced the boiler.

I can see the force of his argument: he is right that corrosion usually builds up over time and it is entirely possible there were some signs of rust and corrosion in November 2016, although this is not proven. While it would of course have been preferable to tell Mr H about this if it was noticeable, British Gas didn't have to do so if the boiler was working and there was no repair to be carried out.

In addition, even if Mr H had known about this and as a result decided to replace his boiler in November 2016 – even though it was apparently at that time working with no fault – British Gas would not have been obliged to pay anything towards the replacement cost and so he would still have incurred the cost of the replacement. However, I'm also not convinced that he would have replaced the boiler then. Mr H says he would have done but it is difficult to accept this, given that the boiler was working, there was no apparent fault or leak. All that would have been known was that there were perhaps some signs of corrosion.

There was also evidence of tape around one area of pipework. I accept it is more likely than not that the tape was put there by a British Gas engineer, given the boiler has been covered by the policy since the manufacturer warranty ran out. However, the leaks that happened in October 2017 were not apparently in the same place as the tape.

Having considered all the evidence, I am not satisfied that the leaks that occurred in October 2017 were due to anything done, or not done, by British Gas. There is no evidence that the component that failed and caused the first leak was linked to the area with the tape or a rusted/corroded area. And there's no evidence that the subsequent leaks over the following few days were caused by the tape either or by British Gas not repairing the first leak properly. Given this, it has not been established that the leaks that occurred or replacement of the boiler were solely due to anything British Gas has or hasn't done. I am not persuaded therefore that it would be reasonable to require it to reimburse any part of the cost of the new boiler to Mr H.

Overall therefore, I do not consider Mr H's position would be any different. The leak would still have occurred in October 2017 as it did. It took a few visits to try and sort out all the leaks on the boiler but there's no evidence that there was anything wrong with the work carried out by each engineer. British Gas was attempting to repair it. I do not therefore consider that it is responsible for all the resultant distress and inconvenience experienced by Mr H. I do however, agree with the investigator that it should pay the sum of £150 for the trouble caused by Mr H discovering the tape and not having been made aware of this previously.

Mr H did receive a discount on the new boiler. He says he should have been offered a higher discount, as British Gas was unable to repair his boiler but I am not persuaded this is required.

As stated, while I can understand why Mr H decided to replace the boiler, it has not been established that the original boiler was irreparable. I don't therefore consider British Gas needs to do anything more in this regard.

**my final decision**

Despite my natural sympathy for Mr H's position, I do not uphold the main aspects of his complaint. I do, however, uphold this complaint in part and require British Gas Insurance Limited to pay Mr H the sum of £150 compensation for the distress and inconvenience caused by its handling of the claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 February 2020.

Harriet McCarthy  
**ombudsman**