

complaint

Ms O complains that a boiler she bought using her credit card was not installed correctly. She also complains about the way HSBC Bank Plc (HSBC) managed her complaint and credit card account.

Background

In 2013, Ms O had a new boiler installed. On the day of installation, Ms O was advised that she would either need to have pipes routed along the outside of her property or reposition the boiler location. Ms O opted to move the location of the boiler. Almost straight away, Ms O experienced problems with her heating and water temperatures, alongside other issues such as noises coming from the radiators.

The supplier/installer returned on several occasions and although some problems were resolved there were still issues with the boiler pressure and unpredictable nature of the heating/water. Ms O asked an independent engineer to look at the installation. He said, amongst other things, that the new position of the boiler meant that the installation was not in line with industry standards.

Ms O complained to HSBC. She encountered various problems with its handling of her complaint and so she asked us to look at her complaint.

Our adjudicator recommended that HSBC pay for the cost of reinstalling and repositioning the boiler and to pay for specific potential additional costs that might arise. She agreed that HSBC's handling of Ms O's complaint/account had been poor, but she felt that the compensation it had offered was fair and reasonable in the circumstances.

HSBC agreed with our adjudicator. Ms O did not. She said that HSBC should additionally pay for a new boiler. The matter therefore needs an ombudsman's 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.

It is clear from the independent report provided that there were issues with the installation of this boiler. The issue requiring the most drastic fix is the positioning of the boiler which appears to be in breach of industry standards. Indeed HSBC has accepted is it liable for the cost of the repositioning.

However, nothing in the independent report suggests that there is an issue with the boiler itself.

I acknowledge Ms O's comments that in order to find out if the boiler was faulty it would need dismantling. However, to ask HSBC to replace the boiler itself, I would need to see compelling evidence that it was faulty. Whilst there is sufficient evidence that the installation work was of an unsatisfactory standard, I am not satisfied that the same applies to the boiler itself.

Ms O has told us she had been informed that moving the boiler would invalidate the manufacturer's warranty and that this could be easily evidenced. Our adjudicator therefore asked her to provide evidence to that effect, however nothing further has been submitted.

In the absence of anything to suggest that the boiler itself is faulty or supporting evidence that moving the boiler would invalidate the manufacturing warranty, I do not think it is fair to ask HSBC to cover the cost of replacing the boiler. The issue here is one of installation and the fair outcome is for Ms O's boiler to be correctly installed.

I think HSBC's offer to cover the cost of the reinstallation of the boiler and the potential additional costs relating to tiling and the kickboard is a reasonable one in the circumstances and fairly addresses this aspect of Ms O's complaint.

Ms O also complains about the way HSBC handled her complaint/account. I think that HSBC delayed matters by initially suggesting the chargeback route for a case that should have been dealt with by a different team from the outset. I also think the way it moved money between her current and credit card accounts would have been confusing for her.

During the course of her dispute with HSBC, Ms O stopped making payments towards her credit card and so HSBC closed her credit card account. I accept that HSBC had, via its terms and conditions, notified Ms O of its right to close her account and I think HSBC's actions were reasonable in the circumstances of Ms O's continued non-payment. However, given the various issues that had already arisen with its handling of Ms O's complaint, it would have been helpful if the account closure had been specifically communicated to her.

I think overall HSBC's communication and handling of Ms O's case has been poor. HSBC has accepted that it could have handled her complaint better. I note that HSBC offered to reduce her outstanding credit card balance by £450, a goodwill gesture of £30 was as I understand it paid and it offered a 30 month interest free period on her credit card. I think that these offers are fair and indeed generous in the circumstances.

I understand this is not the outcome that Ms O wanted. However, she does not have to accept this decision and she may pursue her complaint by alternative means, such as court, should she wish to do so.

my final decision

My final decision is that I uphold this complaint. However, I consider the offer made by HSBC to be fair and reasonable. For the avoidance of doubt, that offer is: to pay the deposit as agreed to the new installation company for the work required to remove and reinstall the existing boiler (based on the estimate already provided by them) and to settle the remaining balance of the invoice once received; to pay consequential costs related to the kickboard and tiling on the provision of invoices if those costs are incurred (based on the estimate already provided); to reduce the outstanding balance on Ms O's credit card by £450 and provide her with a 30 month interest free period on her credit card for the remaining balance; to pay compensation of £30 (which I understand has already been applied to her account).

I simply leave it to Ms O to decide whether to accept this, but make no other order or award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 26 November 2015.

Siobhan Kelly
ombudsman