

complaint

Mr B's complaint arises from the service provided by British Gas Insurance Limited in relation to his home emergency insurance policy.

background

I issued my provisional decision on this matter in July 2015, an extract from which is copied below:

"Mr B first contacted British Gas on 18 March 2011, as there was a fault with a boiler in a flat he rents out. Apparently the problems continued and the tenants contacted British Gas direct. There was another attendance in 2012 when the tenants were apparently told the problems would continue unless there was a power flush done on the system. After he complained, a manager attended in 2012 and agreed that the system did not require a power flush. The fault was found to be loose wiring & defective PCB which was rectified. The manager apparently assured Mr B that there would be no further problems and no further insistence on a power flush.

The boiler was fine for some time and then broke down again in 2013. A further six visits were made by British Gas without resolving the fault. In fact the fault occurred more than six times. Mr B says that the engineer had shown the tenant how to restart it if it happened again, it shut down regularly and the tenant preferred to restart it himself, rather than lose a day's work waiting for British Gas to attend or enduring late cancellations and further time off for rescheduled appointments.

Then during the annual service in April 2013, British Gas again said a power flush was needed. The breakdowns continued and British Gas apparently kept telling the tenants that it was due to Mr B not having the power flush done. In September 2013 his tenants blamed Mr B for not maintaining the boiler and decided to move out.

Mr B got new tenants in October 2013. Shortly after moving in, they told him that there was no hot water. British Gas agreed to attend urgently but cancelled the appointment on the same day. He contacted the manager who had come out previously who assured him he would sort the matter out. However, he didn't hear from him again. He heard from two other managers who both promised to resolve the problems but who later stopped communicating with him.

Mr B says he had no alternative but to employ an independent gas engineer who happened to be a former British Gas engineer. The independent engineer found that a pressure relief valve had been damaged by someone banging it. The expansion vessel also needed repressurising.

Either of these issues would have caused the boiler to shut down – the engineer has said that the issues would allow water to overheat and cause the boiler to shut down. He did a power flush as well but said the amount of sludge removed from the boiler "wasn't restrictive".

After this the boiler worked properly until March 2014, when the tenants said the boiler wouldn't work again. British Gas came out six times over the next three months but still couldn't repair the fault. Mr B again "in despair" called his private engineer who found that the heat exchanger had been badly damaged by a blunt object and needed to be replaced.

The damage was preventing water passing through the heat exchanger thereby increasing the water temperature which then would cause the boiler to cut out. The private engineer said they had noticed damage to the heat exchanger in late 2013 but nothing as bad as when they came out in 2014. So it appears that British Gas simply got the boiler going again by banging the heat exchanger.

Mr B is unhappy with a number of things, including that:

- there were so many visits by British Gas engineers to try and fix the boiler and all they would do was recommend a power flush "at inflated cost instead of spending time identifying the actual fault". There were 8 visits in 2011 alone. It was unable to rectify what turned out to be simple faults with the boiler Mr B thinks the fault has been ongoing since then. He also thinks that the valve and pressure should have been checked at each annual service, but this was obviously not done.*
- British Gas doesn't give a proper time slot for appointments and so someone had to be in from 8am to 6pm for each of these visits, which caused his tenants significant inconvenience. He accepted the undertaking given to him by the manager in 2012 and didn't take the matter further or seek compensation at the time but it has continued to act unprofessionally since then.*
- British Gas has also damaged boiler parts whilst trying to start the boiler by cutting corners.*
- British Gas has been servicing this boiler for a number of years and no one else could have caused the damage.*
- He paid nearly £634 per year for the cover with British Gas but has had no real service from it - instead there have been continuous call-outs, days lost waiting for engineers due to them being late or cancelling appointments and damage caused to his boiler.*
- He had to pay privately for repairs that should have been identified as necessary, and carried out sooner, by British Gas.*
- The power flush was unnecessary and British Gas continued to tell his tenants that the breakdowns were because he was refusing to have the power flush done, despite giving undertakings not to..*
- It also failed respond to emails and phone calls about his complaints.
All monies received from British Gas for failing to attend appointments without informing the tenants who lost earnings were paid to the tenants.*

Mr B has also provided a report from his engineer who confirms that, although there was some debris found when he did the power flush, this is normal and not enough to cause the breakdowns. The report also stated that there was external damage – from being hit – to the heat exchanger.

Mr B wants British Gas to repay him the cost of his own engineer carrying out the power flush (£360) and the re-pressurisation and repair of the release valve, £108.99, £160 for the heat exchanger, compensation for missed appointments and £432 fees for finding new tenants. He also wants additional compensation for the stress and inconvenience caused to him – with reference to the annual premium he's paid - and the failure to maintain the boiler in line with the terms of his policy.

British Gas says that it did its best to resolve the problems; some appointments had to be rearranged, as no one was in when its engineers came out. However, British Gas accepts that it made some errors. It paid £80 as compensation for some of the missed appointments and later a further £30 was offered; it also offered £75 as a contribution to third party cost of

replacing the pressure relief valve and recharging the expansion vessel. It later agreed to pay the entire cost of these, on production of suitable invoices, as it accepted its engineers should have identified these faults. It still considers that the repeat visits were required because the boiler needed the powerflush.

One of our adjudicators looked into the matter. She did not recommend that British Gas make any further payment, as she did not think there was evidence that the problems reported in 2011 were linked with those in 2013. She said that the power flush did remove sludge and so was necessary.

Mr B does not accept the adjudicator's assessment and the matter has therefore been referred to me.

my provisional findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I have no power to make British Gas change its practices or procedures. I can only assess the facts of this individual complaint and whether it has acted fairly and reasonably in applying the terms of Mr B's insurance policy.

It seems clear to me that British Gas failed to provide anything like the service that Mr B was entitled to expect. He had problems with the boiler from early 2013, which it failed to identify and repair despite numerous attendances over several months. It was repaired in November 2013 by Mr B's own engineer. British Gas has accepted that it should have identified that the repair needed was re-pressurisation of the expansion vessel and replace the pressure relief valve.

It says that the powerflush would still have been needed, and therefore suggests that sludge could still have been the cause of the boiler shutting off during 2013. However, I've not seen anything convincing to support this. Mr B had the powerflush done in November 2013, and it was while doing this that the engineer spotted the other issues. His report doesn't suggest that there was much sludge – it records that the total dissolved solids were only 21 parts per million higher in the water in the system than being supplied from the mains water supply (i.e. 261 cf 240 ppm). I've seen no convincing evidence that this would be enough to have caused the problems with the boiler.

It is my understanding that it would be unusual not to find some sludge/debris in a working system but this doesn't mean it was needed. This was an expense that was only incurred because of British Gas' repeated insistence it was necessary to rectify the recurring fault with the boiler. Given this, I agree that this expense should be reimbursed. It would not have been incurred had British Gas not continued to insist on it...

Instead the evidence is persuasive that it was the pressure relief valve and expansion vessel that caused the problems. Given this, and that British Gas accepts that it should have diagnosed these issues from the outset, it seems to me that it is also responsible for the inconvenience and trouble caused as a result of not doing so, including the repeat appointments.

There were then also problems due to the heat exchanger. The independent report says:

“Unfortunately British Gas have done you over once again I found the hot water heat exchanger has been beaten to death please see the attached photos. (I really don't know what they hoped to achieve by doing this). This is causing the boiler to massively overheat as the water cannot pass through the dented water ways of the heat exchanger.”
British Gas attended six times to this issue but didn't replace the heat exchanger. The private engineer did so and the fault was resolved. I therefore also consider that it should reimburse this cost.

Mr B has been caused significant inconvenience as a result of British Gas not properly identifying the problems with his boiler in 2013 and 2014. I consider that additional compensation is warranted for this. Mr B wants reimbursement of the fee he paid to find new tenants. I can't be certain that this was solely attributable to the problems caused by British Gas, although I note that his previous tenants wrote to him making reference to the problems with the boiler. It clearly therefore caused problems between Mr B and his tenants. I consider that a global figure to take account of this, as well as the inconvenience and trouble caused by having to contact British Gas over 2013 and 2014 and arrange his own repairs for matters that he had cover for, is appropriate. In my opinion, this should be in the amount of £750, in addition to the compensation it as already paid.

my provisional decision

I intend to uphold this complaint against British Gas Insurance Services Limited and require it to:

- reimburse the costs Mr B paid his private engineer, including the cost of the powerflush and heat exchanger (i.e. £628.99), together with interest at 8% simple per annum from the date Mr B paid for each item to the date of reimbursement; and*
- pay compensation of £750 for the inconvenience, trouble and upset caused by its handling of his claims.”*

developments

I invited both parties to provide any other information or evidence they want considered in response to my provisional decision.

Mr B has responded and confirmed he accepts my provisional decision and has nothing further to add.

British Gas hasn't responded.

my findings

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

Given that neither party has provided any further information or comments for consideration, I see no reason to change the conclusions reached in my provisional decision.

my final decision

I uphold this complaint against British Gas Insurance Services Limited and require it to:

- reimburse the costs Mr B paid his private engineer, including the cost of the powerflush and heat exchanger (i.e. £628.99), together with interest at 8% simple per annum from the date Mr B paid for each item to the date of reimbursement; and
- pay compensation of £750 for the inconvenience, trouble and upset caused by its handling of his claims.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 October 2015.

Harriet McCarthy
ombudsman