

complaint

Mr M is unhappy that British Gas Insurance Limited cancelled his central heating insurance policy.

background

Mr M took out the central heating cover with British Gas on line on 12 December 2017. The policy requires that a first inspection and service should be carried out. Mr M called British Gas the same day to try book the service appointment, as he was unable to do it online. British Gas confirmed his policy had been set up properly and was active and booked the service visit for 12 February 2018.

When the engineer attended to carry out the service, Mr M told him he thought there might be a leak from the boiler. British Gas says he also told the engineer that the boiler was making a noise. The engineer said that as there was a pre-existing fault with the boiler, it would not be covered and he could only provide a quote for the repairs to be done on a private basis. He arranged for the policy to be cancelled and British Gas refunded the premium.

Mr M is extremely unhappy with British Gas's handling of the matter and refusal to cover his boiler. He has made a number of submissions, which I've summarised below:

- When he called British Gas on 12 December 2017, he was told he was covered for any faults with the central heating from that date. He was surprised by this, so asked again for clarification. British Gas is now obliged to cover his central heating system regardless of how the policy is worded.
- The engineer stayed only three minutes having arrived without proper identification. He asked Mr M if there were any problems with the boiler and he told him he thought it might have a leak the engineer said he would only be providing an estimate for works that needed carrying out. However he did not inspect the boiler, instead he followed Mr M up the stairs and asked to see the water tank. Having looked at that the engineer told him the system was out of date.
- He told the engineer he thought there may have been a leak but he is not an expert and that is not sufficient grounds for cancelling the policy. It has not been proven that there was a pre-existing fault.
- British Gas said he was abusive to the engineer, which is untrue. Mr M doesn't accept his system is out of date, as it's only seven years old. Mr M told the engineer he was unhappy with him, as he found him rude, arrogant and unprofessional. He was not abusive in any way and the engineer has lied to cover the fact that he'd did not do his job properly.

One of our investigators looked into the matter. She didn't recommend that it be upheld, as she was satisfied that British Gas was entitled to cancel the policy.

Mr M doesn't accept the investigator's assessment and so the matter has been referred to me. Mr M says that British Gas has already admitted he was told he was covered so the investigator is wrong to conclude that he was not told he was covered during the call in December 2017.

Also the policy says the engineer will inspect the boiler to check there are no pre-existing faults; he didn't inspect it and there is no option for it to guess that there might be a fault. His

boiler has continued to work without any problem and so it can't be assumed there is a fault. Mr M has also recently told us that the boiler has been serviced by a third party and found no fault with it.

Finally, Mr M also says he doesn't think he has received a full refund.

my findings

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

The policy states:

"At the first service our engineer will check that your boiler is on our approved list and your boiler or central heating and ventilation don't have any pre-existing faults.

If we find it's not on the approved list or it has a pre-existing fault we'll either:

- *Tell you what needs to be done to fix it – and how much it'll cost*
- *Offer you a different product or level of cover*
- *Or, cancel your agreement or product."*

This is not unreasonable. No insurer providing this kind of cover will cover events that happen before the contract of insurance is taken out. If it discovers that there is a pre-existing fault which would mean it wouldn't have agreed to the policy, if it had known about it when Mr M first applied for the policy, it is entitled to cancel the policy provided it also refunds the premium.

I have listened to the recording of the call between British Gas and Mr M. The representative said the policy was set up and Mr M was covered from that date. The representative made the appointment for the service and also said if there was a breakdown in the meantime, they'd deal with it. However, this is not the same as stating that any faults that might already be in existence would be covered; it is referring to new breakdowns, not problems already in existence. I don't therefore agree that anything said in this phone call obliged British Gas to cover Mr M's boiler, even if there was an existing fault with it.

When the engineer attended in February 2018, Mr M told him that he thought there was a leak on his boiler. British Gas says he also told the engineer that the boiler was making a noise. Mr M has suggested that as he is not an expert and the engineer didn't examine the boiler, British Gas can't state that there was a pre-existing fault. I don't agree. It wasn't guessing that there was a fault, Mr M had told the engineer there was water collecting under the boiler, and he thought there was therefore a leak. Mr M clearly thought there was a problem with the boiler and he has not suggested that this only started shortly before the appointment. While I agree the engineer should have examined the boiler further, I don't agree that the failure to do so means it wasn't entitled to cancel the policy in February 2018.

Mr M says he recently had the boiler serviced and no faults were found. I haven't seen a copy of the service report but in any event, it doesn't prove whether there was a fault in December 2017 or February 2018.

British Gas did refund the premiums Mr M paid. Mr M says he doesn't think he has had a refund of everything he has paid towards the policy. I have seen no evidence to support that

but if he is able to show he paid more in premiums than was refunded, I would expect British Gas to refund the difference.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 February 2019.

Harriet McCarthy
ombudsman