

complaint

Mr L complains that British Gas Insurance Limited (BG) declined his claim under his Home Care insurance policy. My references to BG include its agents.

background

In 2017 Mr L contacted BG to report a problem with his electric hot water immersion heater. BG's engineer said the problem was due to a build up of limescale on the heater's element. The engineer told Mr L the repair wasn't covered under the policy as damage caused by limescale was excluded.

Mr L complained to BG as the policy says damage caused by limescale, sludge or other debris isn't covered *'if we've told you before that you need to carry out repairs, improvements or a British Gas PowerFlush, or a similar process, but you haven't done so'*. Mr L said he hadn't been told to do any improvements.

BG said at a 2015 appointment its engineer told him he needed a 'Fernox filter' and it installed a 'Magnabooster'. It said the 'Magnabooster' was a preventative measure and not a guarantee against the build up of limescale. It accepted it had delayed in dealing with Mr L's complaint and paid him £30 as a 'goodwill' gesture.

Mr L complained to us. He made two points. First, he'd agreed to and paid for the improvement to his heating system in installing the Magnabooster that BG recommended so he'd fulfilled his obligation under the relevant policy term. It was irrelevant whether BG's recommended improvement was guaranteed to prevent the problem and BG hadn't advised him to do any further improvements. Second, the improvement was to the central heating and hot water circuit and nothing to do with the immersion heater element. BG hadn't made any recommendation to specifically improve the immersion heater.

Mr L wants BG to repair the immersion heater under his policy and pay him compensation for the delay in dealing with his claim and complaint.

Our adjudicator thought BG should meet the claim and pay Mr L £100 compensation. Before I made this decision we clarified to Mr L that I thought the £100 should be inclusive of the £30 BG had already paid and Mr L agreed.

BG wants an ombudsman's decision. It said a 'Magnabooster' helps with preventing damage caused by sludge not limescale so it had correctly applied the policy exclusion.

my findings

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

I uphold this complaint.

The policy doesn't exclude damage caused by limescale. It excludes damage caused by limescale if BG told Mr L he needed to carry out repairs, improvements, a powerflush or a similar process and he hadn't done so.

BG's work history for Mr L shows that in 2015 it 'advised Fernox filter no covered quoted to install BG Magnaclean' (sic) and it installed a Magnabooster the same day. So Mr L did the improvement that BG recommended.

BG's recently said the Magnabooster helps prevent damage caused by sludge not limescale. But BG recommended the Magnabooster be installed and Mr L had it installed. There's no evidence that BG told Mr L he needed to install a separate product to prevent the build up of limescale and that he failed to do so. If BG had advised Mr L about a separate product I think it's more likely than not that Mr L would have acted on the advice as he immediately installed the product there's evidence BG did recommend.

BG can't fairly rely on the exclusion to decline Mr L's claim. It must meet the claim subject to the policy limits and excess.

BG hasn't given any reason why it shouldn't pay the £100 compensation our adjudicator recommended. I think compensation is payable but BG has already paid Mr L £30 compensation due to its delay in responding to his complaint. I think £100 compensation in total (inclusive of the £30) is a fair amount for Mr L's overall inconvenience at BG's delays. Mr L agrees. He says he hasn't cashed the £30 cheque so if it's out of date BG should reissue as part of the overall payment.

my final decision

I uphold this complaint.

I require British Gas Insurance Limited to:

- meet Mr L's claim subject to the policy limits and excess, and,
- pay Mr L £100 compensation in total (inclusive of the £30 it's already paid). It should pay the compensation within 28 days of the date we tell it Mr L accepts my final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 8 May 2018.

Nicola Sisk
ombudsman