

complaint

Mr M complains that British Gas Insurance Limited (BG) failed to honour the terms and conditions of the home emergency policy he took out with it, provided misleading information to sell him the policy, and generally provided a poor level of service and complaint handling.

background

Mr M has a home emergency policy with BG. His level of cover covers his boiler and controls. He says that before he took out the policy, he contacted BG to check whether this level of cover would cover his outside thermostat. He says he was told that it did.

After he'd taken out the policy, a problem arose with his outside thermostat so he contacted BG. He says that before he arranged for a call out visit, which would incur a £60 call out charge, he asked again if his outside thermostat was covered. He says he was again told that it was. Mr M therefore arranged for a BG engineer to visit. However the engineer told him that the outside thermostat wasn't in fact covered by his policy.

Mr M raised a complaint with BG, complaining that according to his policy terms, he should've been covered. His policy states that it includes cover for:

"The controls that make the boiler work including the programmer, any thermostat, motorised zone valves and central heating pump".

He claimed that he'd been mis-sold his policy and the engineer call out charge.

Mr M says his letter of complaint was received by BG on 25 January 2018. After receiving no initial response, he says he phoned BG on 30 January and was told his case handler would phone him back within a day. Having heard nothing, Mr M phoned again on 3 February and was told there was no record of his conversation on 30 January. He told it he was without hot water.

Having heard nothing more, Mr M phoned again on 12 February. He says that on both 3 February and 12 February he offered to pay for the repair to be done by a third party on the basis that, if BG eventually agreed that the repair was in fact covered by his policy, then BG would reimburse him. He says BG wouldn't confirm this was accepted, and said it was his decision. Mr M didn't at that point make his own arrangements for the repair as he felt it might prejudice his position with BG. He says he didn't receive a call from BG until 19 February. His complaint wasn't finally concluded until 7 March.

BG's position is that the part that caused Mr M's hot water to break down wasn't a thermostat, but an external blending valve. It says this is part of the domestic cold water system and not a central heating system component. It therefore wasn't covered under the level of policy that Mr M had. It says it would've been covered under the plumbing cover offered by the policy, but Mr M hadn't opted for that level of cover. It explained that its advisors who told him he was covered aren't technically trained and can only offer guidance on the policy terms and conditions.

As Mr M wasn't satisfied with BG's final response, he brought his complaint to this service. He said he was seeking reimbursement of the cost of having his thermostat replaced by a third party (£100), a cancellation of the £60 call out charge he had to pay BG, and compensation for the stress, inconvenience and poor service he says he received from BG

at a particularly cold time of year when his family, with 3 young children, were without hot water for nearly 6 weeks.

Our investigator's view was that BG should put things right by refunding the call out charge and reimbursing the cost of the repair and pay Mr M £75 for the stress and inconvenience he experienced by BG's handling of his claim.

Mr M has said he accepts our investigator's opinion, but BG doesn't agree with it, so the matter's been passed to me to make a final 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. I'm going to uphold Mr M's complaint and I'll explain why.

Mr M has explained that the reason why he particularly wanted to know if his external "thermostat" would be covered under the level of cover provided by his BG policy was because he'd previously had a similar part fail when it was still under warranty. He believed that this particular part was a thermostat. So he asked BG if thermostats were covered. He was told they were before he took out the policy, and he was again told they were when he booked an engineer's visit.

BG has said that the faulty part was an external blending valve, and not a thermostat. It wasn't covered by Mr M's level of cover as it wasn't part of the boiler or central heating system. It would've been replaced under the plumbing section of the policy, but this wasn't part of Mr M's cover.

It seems to me that what lies at the heart of this matter is whether Mr M was wrong to refer to this part as a thermostat when making his enquiries about whether he'd be covered for any fault with this part, or whether BG, when saying that it's an external blending valve, is correct in saying that it's therefore not a thermostat. In my view, if it could reasonably be described as a thermostat, it's covered, and if can't, it isn't.

Mr M believed it to be a thermostat. He'd had to have one replaced before, so he was familiar with it. I also note that in his invoice to Mr M, his engineer refers to the part he replaced as a "thermostatic mixing valve". I think a lay person would reasonably assume that this was some form of thermostat and therefore should be covered by the policy which in my view clearly covers all thermostats without any qualification. BG may well be correct that this is part of the cold water supply, but if it's in the nature of a thermostat, and its operation affects the temperature of the water supply to the house, I think it's reasonable to associate it with the boiler and hot water system, which Mr M's level of policy covers.

My conclusion is that I'm satisfied that this part is in the nature of a thermostat and so is covered by the terms of Mr M's policy. I therefore think that the fair outcome is for BG to reimburse Mr M for the cost of having this part replaced by his own engineer, and to also reimburse to him the £60 call out charge that he paid BG for a wasted visit. I also think he should receive some compensation for the poor service he appears to have received which contributed to the delay in the resolution of this matter. Our investigator suggested £75 and I think this is reasonable in the circumstances.

my final decision

My final decision is that for the reasons I've given above, I uphold Mr M's complaint.

I require British Gas Insurance Limited to pay Mr M £100 to cover the cost of having his faulty part replaced. British Gas Insurance Limited must pay interest on this sum at the simple rate of 8% a year from the date Mr M paid for the repair until the date it makes payment to him.

I also require British Gas Insurance Limited to reimburse Mr M for the £60 call out charge that he paid to it. British Gas Insurance Limited must pay interest on this sum at the simple rate of 8% a year from the date Mr M paid this sum to BG.

If British Gas Insurance Limited considers that it's required by HM Revenue & Customs to take off income tax from the interest payable, it should tell Mr M how much it's taken off. It should also give Mr M a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

I also require BG to pay Mr M £75 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 December 2018.

Nigel Bremner
ombudsman