



## complaint

This complaint relates to British Gas Insurance Limited's handling of Mr and Mrs M's claim under a home emergency insurance policy. The policy was held in Mr M's name but I understand that Mrs M conducted all communications with British Gas. Sadly Mr M passed away recently.

The circumstances and background to this complaint were set out in my provisional decision in October 2013, as follows:

### ***"background to complaint"***

*Mr M and Mrs M reported a fault with the boiler in late December 2010. An engineer attended the same day and it appears that the boiler was repaired.*

*About a month later, the boiler failed again. An engineer attended the same day and replaced the pump. Although the boiler was left working during this visit, it failed again about a week later. An engineer came back and replaced some other parts but could not get the boiler working properly and capped it off.*

*An engineer came back the next day and concluded that the 'Magnaclean' (a device designed to filter the water circulating in the heating system) was blocked and recommended a powerflush. As this is not covered by the policy, however, Mr M and Mrs M were provided with a quote for this of £719.*

*Mr and Mrs M were informed that if a powerflush was not done, any subsequent fault would not be covered under the policy. They therefore had the powerflush carried out on 18 February 2011 but the boiler still did not work – it would overheat and shut itself off, which meant Mrs M had to keep resetting it.*

*A number of visits followed with engineers attempting to repair the fault but eventually it was decided that the boiler should be replaced. British Gas installed the new boiler on 13 April 2011. However, the new boiler was still showing the overheating fault and shutting down, so numerous other visits were required until they discovered that a bypass pipe had been disconnected and this appears to have been the cause of the problems.*

*Mrs M was unhappy with British Gas' inability to complete an effective repair over a period of four months. This had caused Mr and Mrs M significant inconvenience as well as causing them financial loss. To resolve the dispute, Mrs M asked British Gas to refund the following:*

1. Cost of powerflush,	£ 719.00
2. Additional electricity cost incurred for heating and hot water between 25 January to 26 May 2011,	£ 300.00
3. Miscellaneous expenses (letter, phone call charges, etc)	£ 25.00
4. Increase in premium at renewal to reflect number of visits	£ 60.40
5. Interest on £719	£ 55.65
<b>Total</b>	<b>£1,160.05</b>

*In addition, Mrs M requested that some additional compensation for distress and inconvenience be considered.*

*British Gas agreed to refund the cost of the powerflush, and pay the sum of £100 for the inconvenience caused. This was later revised to include one year's free home emergency cover.*

*Mrs M declined this offer as she felt it did not reflect the level of inconvenience caused to her and her husband.*

*When the case was referred to us, British Gas revised its offer and proposed a total payment of £1,207.40, which included £300 for the inconvenience caused. British Gas said at the time that it had not received copies of Mr and Mrs M's electricity bill and so was unable to consider that cost further.*

*Mrs M did not accept this offer and asked that the matter be reviewed.*

*Having obtained copies of the electricity bills, our adjudicator recommended that the additional electricity costs should be refunded in full. British Gas agreed to pay a total of £300 towards the cost of additional electricity and also to pay interest on the £719.*

*The adjudicator considered that the final revised offer from British Gas was fair and reasonable in all the circumstances.*

*However, Mrs M did not accept that the adjudicator's assessment. She felt that it did not adequately take account of the circumstances, which included:*

- That the boiler was off for four months – it is located outside and every morning he would need to go outside to reset it and it would work for about half an hour.*
- In addition, as the boiler was outside, the doors would have to be left open every time contractors came to work on it.*
- The length of time it had taken British Gas to deal with the complaint which was first lodged on 5 May 2011, and the effort required on the part of Mrs M to get British Gas to agree a refund of the cost of the unnecessary powerflush.*
- British Gas' records do not reflect the extent of the follow up phone calls he and his wife had to make as a number of these were made direct with the contractors on their mobile phones. Therefore Mrs M does not accept that British Gas had attended in a timely manner every time it was called.*
- The effect of all of this over a long period of time on Mr M and Mrs M's health. Mr M was suffering from a degenerative neurological disorder, a condition that affected his circulation and dementia. All of these were adversely affected by the cold and by the stress and inconvenience of numerous attendances by contractors at their home. His dementia meant that he would become anxious and agitated about changes to daily routine and so on. Mrs M also has a condition which is adversely affected by the cold.*

*Because Mrs M did not accept the adjudication, the complaint was referred to me.*

### **my findings**

*First I would like to apologise to Mrs M for the length of time it has taken for this complaint to reach me for my final decision.*

*It is clear that Mr and Mrs M suffered significant inconvenience for a prolonged period of time.*

*Although it can sometimes be difficult to diagnose correctly what is wrong with a boiler, it seems to me that there were a number of failings in the handling of this case. I understand that there were approximately 17 visits in total – possibly more – to try and resolve the fault with the boiler. Mrs M says that the problems were caused by one of the engineers disconnecting the bypass valve – I cannot be certain but this does not seem to be disputed by British Gas. In any event, it seems to me that more could have been done to resolve this sooner.*

*It also seems to me that there was little basis for insisting that Mr and Mrs M pay privately for a powerflush, before any further attendances would be considered. It certainly did not resolve the problem with the boiler.*

*As a result of these delays, Mr and Mrs M were without hot water and heating for a significant amount of time. Although they could get the boiler working intermittently, given their health and the time of year, the effect on them would undoubtedly have been significant.*

*It is apparent from her correspondence to British Gas that Mrs M has not wanted to rely on their state of health and it is possible that British Gas was not fully aware of the difficulties that the matter was causing in this respect, but I do consider that it is relevant to my consideration of appropriate compensation. The length of time taken to properly deal with the fault with the boiler would have warranted compensation in any event, but it seems to me that the effect on Mr and Mrs M would have been exacerbated due to their health at the time.*

*I am pleased to note that British Gas has agreed to reimburse their financial loss- which for the avoidance of doubt has been shown to be the extra electricity costs, increased premium, powerflush and the cost of telephone calls etc. British Gas has also said that Mr and Mrs M benefited by having a new boiler fitted. However, their boiler was not old, it could have been repaired earlier than it was and it was British Gas' decision to replace it but the fault was still ongoing. I therefore do not agree that this should carry much weight in my decision as to the appropriate redress in this case.*

*Having had regard to all the circumstances, it seems to me that a significant award of compensation is warranted and I consider that the sum of £500 is appropriate by way of compensation for the distress and inconvenience caused to both Mr and Mrs M by the handling of their claim.*

### **my provisional decision**

*For the reasons set out above, I am minded to uphold this complaint and order British Gas Insurance Limited to do the following:*

- *Refund the cost of the powerflush £719.*
- *Refund the increase in the annual premium £63.40.*
- *Refund the extra electricity costs agreed at £300.*
- *Refund the cost of telephone calls put at £25.*

*Interest should be added on each of these sums at a rate of 8% simple per annum from the date of payment by Mr and Mrs M to the date of reimbursement.*

*British Gas Insurance Limited should also pay the sum of £500 by way of compensation for the distress and inconvenience caused by its handling of the claim."*

### **developments**

Both British Gas and Mrs M accepted the contents of my provisional decision.

I have considered all the available evidence and arguments afresh to decide what is fair and reasonable in the circumstances of this complaint. Having done so, given that neither party has made any further submissions, I see no reason to depart from my provisional findings.

### **my final decision**

My final decision is that I uphold this complaint.

British Gas Insurance Limited must do the following;

- Refund the cost of the powerflush - £719.
- Refund the increase in the annual premium - £63.40.
- Refund the extra electricity costs agreed at £300.
- Refund the cost of telephone calls put at £25.

Interest should be added on each of these sums at a rate of 8% simple per annum from the date of payment to the date of reimbursement.

British Gas Insurance Limited should also pay the sum of £500 by way of compensation for the distress and inconvenience caused by its handling of the claim.

Harriet McCarthy  
**ombudsman**