

complaint

Mr P complains that British Gas Insurance Limited's offer of compensation for poor service under his home care insurance policy isn't enough.

background

Mr P's boiler was serviced by British Gas on 14 December 2016. The engineer said the boiler was a safety risk and had to be turned off. A part was ordered but on further investigation the boiler was condemned on 20 December. Mr P's son cut his hand helping British Gas' engineer to lift the part. Mr P and his family were left without heating and hot water for about 10 days. He says he was left with no time to look around for a replacement before Christmas so he bought a replacement boiler from British Gas straight away. The boiler was very expensive but Mr P wanted to make sure his family had heating and hot water at Christmas. This was achieved when British Gas put in the new boiler on Christmas Eve but Mr P had to cancel plans to have family to stay because they couldn't be sure they would get the boiler in time.

British Gas said it wasn't responsible for the problems with the boiler but it did accept the service it gave fell below what Mr P could reasonably expect. It paid him £200 compensation.

Mr P complained to us. He said for about the last 17 years, up to June 2014, British Gas had serviced his boiler every 12 months. But then the service slipped to September 2015 then December 2016. If British Gas had serviced the boiler in June or September 2016 the impact of not having hot water and heating wouldn't have been so great. He also said if he'd had the chance to shop around for more competitive quotes in June or September he could have got a boiler for at least £2,000 cheaper than he had to pay British Gas.

Our investigator explained why he thought British Gas should pay Mr P additional £200 compensation (£400 in total).

British Gas didn't agree. It said it didn't have to provide a boiler service every 12 months, just every calendar year, so it had done nothing wrong in servicing in December. Also Mr P wasn't under any obligation to buy the boiler from British Gas.

Mr P said £400 didn't take into account that he'd had no option but to pay for a much more expensive British Gas boiler. He got a quote from another boiler supplier showing he could have had a boiler installed for £1,765.21 less than he'd paid British Gas.

Our investigator thought the quote was a good indication of what Mr P would have paid if he'd had more time so he said British Gas should also pay the difference of £1,765.21. British Gas didn't respond.

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 upholding this complaint and will explain why.

As part of Mr P's policy British Gas says *'one of our engineers will visit your home once a year to check that your appliance, boiler or central heating and ventilation is working safely and in line with the relevant laws and regulations'*.

British Gas says the wording means the annual service can happen any time in the policy year. But I think most people would reasonably think the wording meant a service would happen every 12 months. Mr P's boiler had been serviced every 12 months, in June when his yearly policy begins, until recently so I think he had a reasonable expectation that would continue.

I accept there will be occasions when British Gas can't do a service within 12 months for good reason. For example, at colder times of the year there's an increased demand on its engineers so emergency call outs take priority over routine service visits. But Mr P's policy runs from June so I wouldn't expect his service to be badly delayed for that reason. British Gas hasn't given a reason why Mr P's boiler services had slipped to September 2015 and December 2016 and I don't think British Gas acted reasonably in carrying out those services late.

There is no evidence that the later servicing caused the boiler to break down. But the issue in this case is did British Gas' late service of the boiler have substantial detrimental effect on Mr P. If so what, if anything, should British Gas do to correct the situation Mr P had been put in by it servicing the boiler much later than it should have done.

British Gas says the boiler was corroded through behind the heat exchanger and it was only noticeable when the engineer removed the heat exchanger to fit the replacement part. That's a reasonable explanation for why British Gas' engineer couldn't see the problem on the 14 December when it inspected the boiler.

But it's unlikely that the old boiler would have corroded that badly from June to December. So I think it's more likely than not that if British Gas had done the service in or around June the boiler would have been condemned. Mr P then wouldn't have had to put up with no heating or hot water for 10 days in mid winter around Christmas and wouldn't have had to deal with all the associated family problems. Mr P's son isn't covered by the policy so I can't award compensation to him. But the problem did impact on Mr P and overall I think compensation of £400 in total is a fair amount. As British Gas has already paid £200 it must pay the remaining £200.

British Gas says Mr P wasn't under any obligation to buy its replacement boiler. But understandably Mr P didn't want the family to go through the whole of the Christmas period without heating and hot water so I don't think he had any real choice but to buy from British Gas. Realistically I think it's highly unlikely that he could have got quotes and have another boiler supplier put in a new boiler all within the three working days before Christmas Day. If British Gas had done the service in or around June, as I think it ought to have, then Mr P would have had the opportunity to look at different boiler suppliers' prices because there wouldn't have been the same urgency to get the replacement.

Mr P sent us a quote from another boiler supplier that details the work and price for removing the old boiler and installing a new one. The quote is for £1,765.21 less than Mr P paid British Gas. Our investigator sent the quote to British Gas saying it was a good indication of what Mr P would have paid if he'd had more time to make his selection. Mr P has told us that if he'd had the time to shop around for a boiler he would never have paid what British Gas charged him. British Gas hasn't told us that the other supplier's boiler

wasn't comparable to the one Mr P bought, or that the other supplier's quote was unrealistically low.

On the evidence I have, I think if Mr P had been looking for a new boiler in June or even September 2016 he would have got a new boiler for considerably less than British Gas charged. I've no reason to think Mr P wouldn't have used the supplier whose quote he's given us. On balance, I think he would have used the other supplier. In the circumstances of this case I think it is fair and reasonable for British Gas to pay the difference between the other supplier's quote and the amount British Gas charged, £1,765.21.

my final decision

I uphold this complaint.

I require British Gas Insurance Limited to pay Mr P:

- additional compensation of £200 (£400 in total) for his distress and inconvenience, and
- £1,765.21 being the difference between the cost British Gas charged for a new boiler and the price Mr P would have paid for a boiler had British Gas not done a very late annual boiler service.

British Gas Insurance Limited should make the above payments to Mr P within 28 days of us telling it Mr P accepts my final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 10 November 2017.

Nicola Sisk
ombudsman