**complaint**

Mr S complains that British Gas Insurance Limited ("BGI") won't pay the cost of replacing pipework on his central heating system under his home emergency insurance policy.

**background**

Mr S has had a home emergency policy with BGI for many years. He says his system was working normally until BGI carried out its normal annual service in February 2017. After that he noticed a leak from his boiler. After several visits and repairs by BGI the leak was cured. But he then noticed the radiators weren't heating properly.

BGI's engineers returned and said problem was sludge in the system which was causing blockages in the unbarriered plastic pipes that had been fitted when the system was installed before Mr S bought the house in 2007. The engineers tried a number of ways of dealing with the blockages which worked for a while, but then the blockages returned.

BGI said that following its unsuccessful attempts, the sludge related issue would no longer be covered under Mr S's policy. This was in line with the policy terms. The solution was for the unbarriered plastic piping to be removed, and the system repiped.

BGI said it wouldn't carry out this work under the policy. The original use of this piping was a design fault; so its failure wasn't covered under the policy terms. However, it was willing to carry out this work for Mr S at a reduced price. Mr S didn't accept this and complained to us.

Our investigator didn't recommend that this complaint should be upheld. The policy terms said that damage caused by sludge wasn't covered if BGI had told the policyholder before that they needed to carry out repairs, improvements, or a powerflush, but they hadn't. Initially BGI had tried to resolve the sludge issue by various means without charge under the policy.

But ultimately it said it couldn't carry on trying to deal with this under the policy and Mr S needed to repipe the system. The investigator thought BGI had acted reasonably and in accordance with the policy terms.

Mr S said "*the pipes that connect the central heating system"* were specifically covered by the policy. So BGI should pay for a powerflush, or for the full cost of replacement pipes. However, the investigator agreed with BGI that under the policy terms cover wasn't included for design faults that were already there when the policy began.

Mr S had said he thought BGI should have warned him earlier that the pipes could be a problem when he took out the policy in 2007, or when it inspected the system after he had a new boiler installed in 2012, or on each annual service. If he had known this in 2007 he could have installed replacement pipes before he carried out new flooring and decoration which would now have to be disturbed.

The investigator didn't think BGI was under any obligation to point out a possible difficulty with the pipes if the system was working normally each time it inspected or serviced it.

Mr S responded to say, in summary, that:

- his system was working perfectly until BGI's engineers serviced it and carried out repairs in February 2017;
- BGI had never removed any radiators to flush out any sludge from them;
- BGI had never mentioned the "design fault" in the piping at any time since the policy began;
- the pipes should be replaced, or a powerflush done, under the policy terms; and
- he was still paying for his policy, and wondered what was actually covered by it.

**my findings**

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

So long as the system was functioning normally, I don't think BGI was under any obligation to point out on its first or any later inspection that the piping which was already installed might cause problems in later years. I note that the system has operated without problem for ten years since Mr S bought his house, and the piping was apparently in place without problems for several years before that.

I've seen nothing to suggest that the service and repairs BGI carried out in February 2017 caused the blockages in the pipes, or that removing and flushing the radiators would have cleared those blockages.

I think BGI acted reasonably, and in accordance with the policy terms, in trying to clear the blockages. When BGI's efforts ultimately were unsuccessful it was entitled to say that any sludge related issue would no longer be covered by the policy.

Mr S will have to pay for the replacement of the pipes or a powerwash. I accept that this isn't covered by the policy as it arises from a design fault – the use of unbarriered plastic piping – which was present when the policy began.

As Mr S says, his policy may be of limited value at present because faults caused by sludge won't be covered, although faults unconnected to the sludge still will be covered. He may wish to discuss with BGI whether it is worthwhile continuing with the policy at present.

**my final decision**

For the reasons I've set out above, my decision is that I don't uphold this complaint, and make no order against British Gas Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 August 2017.

Lennox Towers
**ombudsman**