

complaint

Mr E's representative has complained about British Gas Insurance Limited. He isn't happy that it turned down a claim under his Home Care policy in relation to his gas boiler.

background

At the end of April I set out the background to this complaint and my provisional findings are summarised as follows:

Mr E made a claim under his Home Care policy in relation to his gas boiler. British Gas said that Mr E's gas central heating system required cleaning. As it had recommended this, and provided a quotation previously, it wouldn't look at his latest claim.

Mr E said that he accepted that he was provided with a quotation for a powerflush before. But says that he didn't think it was possible due to the pipework on his central heating system and questioned why he paid for the Home Care policy when cover wasn't provided, as he hadn't had a powerflush.

As Mr E wasn't happy he complained to British Gas and then this service. Our investigator looked into things for him and eventually upheld his complaint. He was of the view that British Gas should've been clearer that it wouldn't provide cover and that a powerflush could be undertaken with an alteration to Mr E's pipework. He said that it should pay Mr E what it would've paid for the repair had a powerflush been done and pay £150 compensation.

British Gas didn't agree. It said that the only reason it quoted for a powerflush was because one was required and the documentation showed that one could be undertaken with an alteration to the pipework. So the matter has been passed to me for review.

my provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I think the complaint should be upheld but I'm recommending a slightly different outcome. I'll explain why.

The issue to consider here is whether Mr E was made reasonably aware that a powerflush was required and the consequences of failing to do so.

I know Mr E's representative highlights that Mr E didn't know that a powerflush was possible and that cover wasn't fully provided without one. But British Gas did make it clear in its renewal documentation that 'Unfortunately, we can't cover sludge or scale damage if we've already identified this as a potential issue with your system.'

Although I accept that Mr E may not have understood that a powerflush was possible, due to the particular pipework on his system, I'm satisfied that he was aware that a powerflush was required. I say this as the only reason British Gas told Mr E about a powerflush was because his system needed one.

As I accept that it is possible Mr E wasn't fully aware that a powerflush was possible I'll turn to this claim.

British Gas had attended Mr E's property and fixed a problem a few months before this claim was turned down. So it's clear that Mr E had cover in place. As outlined above it just wasn't

able to cover issues stemming from sludge or scale damage. The investigator has recommended that British Gas should pay what it would've paid had it dealt with this claim. But I don't think that would be fair or possible. I'll explain why.

Mr E's representative has told us that he chose to replace the boiler as it was over 10 years old and because there was no guarantee that the boiler was repairable after a powerflush had taken place. So I don't think it is possible to determine the cost of any repair. It seems likely that Mr E would've chosen this path in any event, so there wouldn't have been a repair cost. The only cost would've been the call out to his property which British Gas undertook.

I must highlight that as Mr E's boiler was over 10 years old his policy wouldn't have made a contribution towards its replacement. So I don't think it would be fair to ask British Gas to pay for, or make a contribution towards, a whole new boiler and modernisation of Mr E's pipework. I say this as a powerflush and modernisation of the pipework was required in any event.

But I do think that British Gas could've been clearer within its written documentation about what Mr E was required to do in order that a powerflush could be undertaken. I accept that this led to some stress and inconvenience and so I recommend that British Gas should pay him £200 compensation, as opposed to £150.

replies

Both sides responded to the provisional decision. For its part British Gas said that it had nothing further to add, while Mr E's representative made a number of points that I'll summarise below.

He said again that Mr E wasn't given a quote for a powerflush and highlighted the system couldn't be powerflushed because of the pipework on some of the radiators. So questioned why Mr E was invited to renew his policy. And why this wasn't fully outlined at each renewal.

Mr E's representative also highlights that there wasn't any evidence that the problem with the boiler was due to sludge or scale. And that Mr E was more likely to have the boiler repaired rather than replaced at that time. And that British Gas was duty bound to replace parts until the system worked had the system had a powerflush. And that in fact the boiler wouldn't be replaced, under the policy terms, after it was 7 years old as it wasn't fitted by British Gas in any event.

Ultimately, Mr E's representative believes that British Gas should've repaired the boiler at the time. And then if the repair failed then a new boiler would've been required which he accepts wasn't covered under the policy.

my findings

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

I know that Mr E's representative wanted British Gas to specifically outline that that Mr E needed to get a powerflush and that this was achievable, with an alteration to the pipework, at each renewal. I can understand Mr E's representative's frustration here. And I accept that British Gas should've made its position, about the powerflush and alterations to the pipework, clearer. This is why I've awarded £200 compensation.

But the policy outlined it wouldn't '*cover sludge or scale damage if we've already identified this as a potential issue*' and Mr E had been told that a powerflush was needed. Ideally British Gas could've done more to explain how this could've been done on Mr E's system on a more regular basis. But Mr E did have cover in place which he had the use of, and used, it just didn't extend to any problems relating to the fact that the system needed a powerflush. So I'm satisfied Mr E had cover in place and was aware that a powerflush was required.

In relation to the possible repair of the boiler and eventual replacement I think Mr E chose not to have the boiler repaired as it was most likely uneconomical to do so. And because there was no guarantee that a powerflush of the system, following an alteration to the pipework, would work. So I don't think it would be fair to ask British Gas to cover these costs.

I know Mr E's representative feels that British Gas should've just continued trying to repair the boiler but it would be impossible to ascertain the cost of an unknown repair. Had Mr E have chosen to repair his boiler and that cost was identified then that *may* have been an appropriate outcome. But he didn't for the reasons outlined, so I don't think it would be fair to ask British Gas to cover this unknown cost.

Mr E's representative has highlighted that the boiler wouldn't have been replaced after it was 7 years old under the policy. I accept that as it wasn't a British Gas fitted boiler that this is the case. But this doesn't change the general position outlined and the fact that British Gas wouldn't have replaced the boiler as it was over 10 years old.

British Gas attended and repaired the boiler before but highlighted that a powerflush was required. As one hadn't been undertaken, and the latest problem was probably caused by sludge or scale, it turned down the claim. I'm satisfied, on balance, that the hot water system was being affected by sludge or scale and that Mr E chose to have his boiler repaired as it was most likely coming towards the end of its economical life. As such, I think the fair and reasonable thing to do, in the particular circumstances of this case, is for British Gas to pay Mr E £200 compensation.

my final decision

It follows, for the reasons given above, that I uphold this complaint. I require British Gas Insurance Limited to pay Mr E £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 24 July 2017.

Colin Keegan
ombudsman