

## **complaint**

Mr F's complaint arises out of the handling of a claim made under his central heating insurance policy with British Gas Insurance Limited.

## **background**

I issued my provisional decision on this matter earlier this month, part of which is copied below:

*"Mr F held a policy with British Gas to cover the central heating system in a property he lets out. On 19 October 2018, British Gas attended the property to carry out the annual boiler service. Not long afterwards, a new tenant moved in who told Mr F the boiler was leaking.*

*Mr F contacted British Gas and it sent an engineer out on 28 October 2018. I understand a repair was done but this didn't resolve the leak.*

*British Gas apparently told the tenant on 15 December 2018, that a new part was needed but it was no longer available and so the boiler would need to be replaced. Mr F therefore had the boiler replaced a few days later. However, he says he subsequently found out that the part in question was in fact available from a number of stockists. Mr F is very unhappy that he incurred the expense of a new boiler unnecessarily and asked British Gas to reimburse him, or to refund the premiums he's paid for the policy.*

*Mr F also says the problems started following the boiler service and he thinks the engineer damaged the boiler.*

*British Gas says that none of the leaking parts would have been disturbed as part of the annual service. It also says the leak happened around ten days after the annual service and so it was not related. British Gas reiterated that it was not able to obtain the part needed and so could not repair the boiler.*

*One of our adjudicators looked into the matter. The adjudicator didn't think there was enough evidence to say that British Gas had caused the leak. However, he didn't think British Gas had done enough to try and obtain the part needed, and it had failed to tell Mr F that the terms of his policy provide that he could have obtained the part for it to be fitted. The adjudicator therefore recommended that the complaint be upheld and British Gas should pay Mr F £500 compensation.*

*Mr F accepted the adjudicator's assessment but British Gas doesn't. It says it gives the best advice to consumers and the best advice in this case was to replace the boiler. When it told Mr F the part was obsolete he had the chance to source it himself but chose to replace the boiler instead.*

*As the adjudicator was unable to resolve the complaint, it has been passed to me.*

## **my findings**

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

*British Gas was unable to get the required part from its usual supplier chain but Mr F has*

*provided evidence that the part was widely available elsewhere for under £200. However, in the meantime Mr F had felt compelled to pay £1,754.40 for a new boiler based on British Gas's advice.*

*Mr F's policy includes the following term:*

*"replacement/replace/replacing...*

*If we're unable to provide a boiler appliance or part with similar functionality we'll Install a new and unused like for like alternative that you provide, but we'll only accept responsibility for our workmanship".*

*I've not seen any evidence that British Gas offered this option to Mr F before he paid for the replacement boiler on 18 December 2018.*

*Even if the policy did not contain the term set out above, I think British Gas should have tried to get the part from other sources and there is no evidence that it did so. British Gas might have its preferred suppliers but it is not reasonable to rely only on that, when it has a contractual obligation to carry out repairs such as were required here. The evidence is clear - the part was not unavailable and so the boiler should have been repaired under the policy.*

*I find British Gas's response to the adjudicator disingenuous. Mr F was entitled to rely on British Gas's advice - he had after all taken this policy out so that expert gas engineers would repair his boiler if required. So when his tenant was told that the boiler could not be repaired because the required part was not available, he not unreasonably accepted that and replaced the boiler. I do not consider it is reasonable for British Gas to have expected him to have immediately tried to find the part himself and question what he was told. British Gas told Mr F the part was obsolete and therefore repair under the policy was not possible. Mr F would have had no reason to believe that this simply meant that British Gas's preferred supplier didn't have the part but that it was in fact widely available elsewhere.*

*And while it might make sense in certain circumstances to replace a boiler, even if it is repairable, the fact is Mr F had a policy which should have covered the costs of the repair. British Gas's failure to provide the cover it had contracted to provide resulted in Mr F being put to considerable trouble and expense that was not necessary.*

*Mr F has accepted the £500 recommended by the adjudicator as being reasonable, British Gas has not. While I agree that Mr F now has a new boiler, this was an expense he should not have had to incur at all. British Gas has said his boiler was several years old but there is no convincing evidence about how much longer it was likely to last. It was repairable and he had insurance cover for future repairs; there is no evidence that it was near the end of its working life. British Gas should have repaired the boiler and as a direct result of its failure to do so, Mr F was considerably out of pocket.*

*Overall therefore, I consider that British Gas should reimburse the full cost of installing the new boiler, together with interest at our usual rate."*

### ***my provisional decision***

*I intend to uphold this complaint against British Gas Insurance Limited and require it to reimburse Mr F the cost of replacing his boiler (i.e. £1,754.40) together with interest at 8% simple per annum, from the date he paid for it, to the date of reimbursement."*

### **responses to my provisional decision**

I invited both parties to respond to my provisional decision with any further information or arguments they want considered.

Mr F has confirmed he accepts my provisional decision and has nothing further to add.

British Gas does not accept my provisional decision. It has said Mr F's boiler was installed in 2006 and production of the boiler stopped in June 2010. The part its engineer identified as being needed was shown as being obsolete on its parts database. It is unfair to say that it has not tried to source the part from other suppliers, as it uses around thirty different suppliers around the country when a part is not available on its own stock.

### **my findings**

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

British Gas had referred to two different part numbers on this file (both hardware packs of a few parts for the make of Mr F's boiler). As well as evidence from Mr F about this, the adjudicator did a web search for both part numbers and found them available from various online suppliers.

British Gas has provided a list of suppliers it says it uses if a part is not available from its own stock. This has not been provided before but in any event, it doesn't demonstrate that these suppliers were approached for the part and didn't have it. Mr F was told on 15 December 2018 by the attending engineer that the parts required were obsolete. There's no convincing evidence that these suppliers were all contacted, before Mr F was told the boiler was irreparable because the parts could not be found. And, as mentioned in the provisional decision, Mr F was not told that he could try and obtain the part himself and British Gas would fit it.

Given this, I remain of the opinion that the boiler was repairable and that Mr F therefore did not have to incur the expense of repairing it. British Gas should therefore reimburse Mr F that cost.

### **my final decision**

I uphold this complaint against British Gas Insurance Limited and require it to reimburse Mr F the cost of replacing his boiler (i.e. £1,754.40) together with interest at 8% simple per annum, from the date he paid for it, to the date of reimbursement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 23 April 2020.

Harriet McCarthy  
**ombudsman**