

## **complaint**

Mr T complains that British Gas Insurance Limited is responsible for poor service in connection with a home emergency insurance policy.

## **background**

Where I refer to British Gas, I refer to the insurance company of that name and I include engineers and others insofar as I hold that company responsible for their actions.

Mr T has a house with pipes installed some time ago. More recently British Gas (or strictly a sister company of the insurance company) installed a new boiler in about 2012.

British Gas did annual services and certain repairs. It (or strictly a sister company) also did a power flush in April 2016 and May 2017.

In early 2018 Mr T's wife was nearing the end of her life. Mr T contacted British Gas for help because his radiators weren't heating up properly. British Gas declined to help unless Mr T paid for new pipes at an estimated cost of £8,000.00 to £10,000.00.

Mr T's wife passed away in February 2018.

In late March 2018 Mr T engaged his own plumber. The plumber provided a letter saying that the problem had been that the heat exchanger was blocked and he couldn't clear it. He suggested a new heat exchanger. But in April 2018 Mr T paid for the installation of a new boiler. He also cancelled his British Gas policy.

Mr T complained that British Gas had been wrong that the problem was with his pipes. He brought his complaint to us in September 2018. Mr T claims the cost of the new boiler and compensation for distress and inconvenience including periods without heating.

## *our adjudicator's opinion*

Our adjudicator said that he was unable to consider anything to do with the sale and installation of the boiler (in 2012) as that wasn't part of a contract of insurance.

Our adjudicator didn't recommend that the complaint should be upheld. He didn't think that British Gas had acted unreasonably in recommending - since 2015 - that Mr T had a re-pipe of the system in order to prevent future problems. As Mr T's plumber hadn't provided any information to dispute that recommendation or explained the cause of the blockage, the adjudicator didn't think British Gas had acted unreasonably in declining Mr T's claim.

## *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mr T and to British Gas on 8 November 2019. I summarise my findings:

The blockage of the heat exchanger is likely to have been with sludge. I kept in mind the policy terms relating to sludge and to making improvements. So I wasn't minded that British Gas treated Mr T unfairly by declining to repair his blockage in early 2018.

Subject to any further information from Mr T or from British Gas, my provisional decision was that I wasn't minded to uphold this complaint. I didn't intend to direct British Gas Insurance Limited to do any more in response to this complaint.

Mr T disagrees with the provisional decision. He says, in summary, that:

- We should consider his complaint that a boiler recommended by the company and fitted by the company should last for more than six years.
- Instead of a re-pipe of the system, his plumber resolved the breakdown by a far cheaper solution, which has presented no subsequent problems whatsoever.
- It is not unreasonable to question the British Gas opinion, quote, and price.
- To replace the heat exchanger rather than the boiler wouldn't have been cost effective.
- The crux of the argument is an entirely different opinion as to the cause of the problems, with the company's being a considerably more expensive method of resolution.

More recently, Mr T has sent us a report from a director of an independent plumbing and heating company. It included the following:

*"My assessment of the system*

*Obviously from looking at the paperwork I was expecting to find plastic pipe fitted to the radiators on the system, or maybe even to the airing cupboard or boiler This was not the case, all pipework on the system is copper I checked every single radiator, the boiler, the airing cupboard, I checked under the floor in the airing cupboard and all I could find was copper In fact I checked the hot and cold pipework to see if there has been a mix up between the different pipework No, this was also copper pipework"*

British Gas has responded to that. It says, in summary, as follows:

- *"Our original advice is sound assuming that Mr. T's system does contain non barrier plastic pipework. The third party report claims that it does not. I find this difficult to understand as I believe the housing estate where Mr. T had non barrier plastic pipe installed in every house. We have re-piped the system of a close neighbour to Mr. T for this very reason. I can't imagine that we've been giving this advice consistently for so long without confirming that the system has non barrier plastic pipe within it. I can only assume that the system is made up of a combination of plastic and copper and the third party has not identified the plastic pipework."*

## **my findings**

The Financial Ombudsman Service has power to look into complaints about regulated financial services by regulated financial firms. We don't have power to look into complaints about the sale and installation of central heating boilers by companies which aren't regulated financial firms.

I agree with the adjudicator that the sale and installation of the boiler in about 2012 wasn't part of a contract of insurance. So I can't comment on the quality or durability of the boiler or any magnetic filter. And I can't comment on what the installer should've told Mr T about his pipes at that time.

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

As I understand it, air and water inside metal (especially ferrous metal) parts of a central heating system will together cause corrosion into sludge that will impede or block circulation. And "non-barrier" pipework is plastic pipework without a barrier against air entering the water system. So I can see that non-barrier pipework would facilitate sludge.

From its records, I see that British Gas first said in March 2015 that Mr T needed a re-pipe. In 2016 British Gas did a flush.

And in May 2017 it made a record as follows:

*"REFLUSHED ADVISED NON BARRIER PIPE SHOULD BE RE-PIPED"*

From that I find that the engineer had done another flush and advised that non-barrier pipe should be re-piped.

Mr T renewed his policy from mid-October 2017. He had cover for his boiler, central heating system, plumbing and drainage. The yearly premium was nearly £450.00.

The policy covered repairs and an annual service. The policy also covered a replacement for Mr T's boiler if British Gas couldn't repair it and it was less than seven years old.

However the policy didn't cover a power flush or improvements. And the policy terms included the following:

*"What's not covered*

*Damage caused by limescale, **sludge** or other debris – if we've told you before that you need to carry out **repairs**, improvements or a **British Gas Powerflush**, or a similar process, but you haven't done so...*

***Pre-existing faults***

*Our **products** don't include cover for any faults or design faults that:*

- Were already there when your boiler, appliance or system was installed...*
- We've told you about before and you haven't fixed...*

***Making any improvements...***

*Where we've told you that an improvement is necessary, we may not continue to make **repairs** on that part of your boiler, appliance or system unless the work has been carried out"*

I find that British Gas had told Mr T he needed to carry out repair or improvement by re-piping the non-barrier pipework. But Mr T hadn't got that done.

Mr T's plumber's letter included the following:

*“... the problem was not with the system but with the boiler... the heat exchanger was blocked... I fitted and commissioned the new boiler on the 11 April 18. There were no problems with any pipework or radiators during the commissioning and there have been none thus far to date.”*

Neither Mr T nor his plumber has told us the estimated cost of a new heat exchanger. But I accept Mr T's statement that the new boiler was a less expensive option than re-piping. And the new boiler has worked well since April 2018.

The blockage of the heat exchanger in the old boiler is likely to have been with sludge. So I'm satisfied that sludge had damaged the heat exchanger and British Gas had told Mr T before that he needed to carry out repair or improvement by re-piping the non-barrier pipework. So the policy excluded the damage to the heat exchanger.

I would only find it fair for British Gas to rely on such exclusion if it was correct in telling Mr T he had non-barrier pipework. I am faced with conflicting evidence on that issue.

The director of the independent plumbing and heating company personally inspected the pipework and reported that it is copper – not non-barrier plastic.

But in my experience much central heating pipework is typically hidden from view by floors and walls. And something had made Mr T's system prone to sludging.

The British Gas records show that the engineer had spent all day completing the flush in May 2017. After doing that, the engineer advised that non-barrier pipe should be re-piped. So the engineer hadn't used non-barrier pipework as a reason to avoid doing the flush. I find it likely that the engineer had correctly identified non-barrier pipe as the reason for sludging and the need for repeated flushing.

So I don't find that British Gas treated Mr T unfairly by declining to repair his blockage in early 2018 unless he had a re-pipe. I say that notwithstanding that the sludge was blocking the heat exchanger rather than pipework. And – although the boiler was less than seven years old – I find that it had been damaged by sludge so British Gas wasn't obliged to replace it.

Therefore I don't find it fair and reasonable to direct British Gas to pay compensation to Mr T for his outlay or for the extra distress and inconvenience of having no heating at an already very difficult time for him.

### **my final decision**

For the reasons I have explained, my final decision is that I don't uphold this complaint. I don't direct British Gas Insurance Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 16 February 2020.

Christopher Gilbert  
**ombudsman**