

complaint

Mrs T says British Gas Insurance Limited didn't carry out annual services on her boiler, told her she needed to replace the boiler and didn't do a repair sooner.

The background to Mrs T's complaint and my provisional findings were set out in my provisional decision of August 2015 as follows:

"background

Mrs T held a British Gas HomeCare Agreement from January 2008 until November 2012. She was entitled to a boiler service every year.

Mrs T called out engineers because her boiler was inefficient and noisy. She said they didn't do any repairs and just told her to get a new boiler. Shortly before Mrs T ended her policy British Gas replaced the boiler pumps and valves. This increased the efficiency and the boiler was less noisy. Mrs T said this should have been done much earlier and she wanted all her premiums back.

British Gas offered Mrs T £120 compensation for two missed services. It added an additional £18.67 and when Mrs T complained to us British Gas said it would pay another £80 for a missed service in 2011/12.

The adjudicator didn't think we could look at anything that happened before 28 January 2011. This was because British Gas said the agreement didn't become an insurance contract until that point. But she thought the total offer of £218.67 was fair.

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.

Our power to look at complaints is set out in the Financial Conduct Authority's Dispute Resolution (DISP) Rules. These say we can only consider complaints about 'authorised persons'.

Before 6 August 2009, British Gas Services Limited and British Gas Insurance Limited weren't 'authorised persons' for the purposes of our rules. This means we can't look into anything before that date. And we recently took the view that the HomeCare Agreement has all of the features of a contract of insurance. So I can look at issues about the agreement after 6 August 2009.

British Gas didn't carry out two services on Mrs T's boiler. Their information is a bit confusing but it looks like these were in policy years 2009/10 and 2011/12. And whilst Mrs T thinks she should get a refund of all her premiums I don't agree. British Gas engineers called with her on a number of occasions. Even though repairs weren't carried out she was given advice about having a Powerflush and told that her boiler couldn't always be repaired. This was because it had been installed for about 25 years and parts weren't always available. A repair was carried out in 2012 so I think Mrs T received benefit under the policy. I can see why she feels the policy was of little use but the policy covers breakdown and not issues such as problems caused by sludge and scale. I don't think British Gas' original offer of £120 was

enough and in my view £200 more fairly reflects the missed services. A service was after all a key benefit of the policy.

A pump and valves were replaced in 2012 but I don't think British Gas should have done the work sooner. The boiler hadn't suffered a breakdown so it was more an issue of maintenance, which wasn't covered.

Mrs T replaced the boiler and believes this was a result of British Gas' negligence. If British Gas had carried out every service this wouldn't have prevented the build-up of sludge or scale in the boiler. British Gas' advice to replace the boiler in March 2012 doesn't seem unreasonable taking into account the age of Mrs T's boiler (installed in 1985). I think it's more likely than not the boiler was reaching the end of its life regardless of what British Gas did or didn't do.

I've no doubt it was an inconvenient time for Mrs T but I think £80 additional compensation is fair and reasonable.

my provisional decision

My provisional decision is I intend to uphold this complaint in so far as British Gas Insurance Limited must pay Mrs T an additional £80 compensation (in addition to the £138.67 already paid)."

British Gas accepted my provisional decision. Mrs T didn't and has made the following comments;

- British Gas should have advised Mrs T to get a new boiler in 2008;
- Mrs T has paid over £1,000 for a service which British Gas knew they couldn't provide;
- British Gas missed the annual services due to excessive workload;
- The replacement of the pump and valves in 2012 was covered under Mrs T's policy;

my findings

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

Mrs T feels strongly about what has happened. But as I've already explained, I can't look at anything British Gas did or didn't do in 2008.

I've seen the letter British Gas sent about the missed annual services. There's no doubt British Gas missed these and it has acknowledged this. This is why it offered to pay compensation to Mrs T. I don't agree with Mrs T that the services were missed because the boiler was "beyond servicing". In fact it carried out work after these missed services.

Mrs T's agreement with British Gas provided for more than just annual services. Mrs T has benefitted from being covered by the policy and it wouldn't be fair to ask British Gas to return the premiums to Mrs T.

I'm sorry Mrs T is unhappy with my comments about the pump and valves but the policy doesn't cover maintenance or noise issues – it covers breakdown. As Mrs T's boiler hadn't

broken down, I don't think British Gas had to replace parts. But it did as a gesture of goodwill and I think that means it treated her fairly.

my final decision

My final decision is that I uphold Mrs T's complaint in part. British Gas Insurance Limited must pay Mrs T £80 compensation, in addition to the £138.67 already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 14 October 2015.

Sean Hamilton
ombudsman