

complaint

Mr A complains that British Gas Insurance Limited charged him for repairs he thinks are covered under his boiler cover policy.

background

Mr A contacted British Gas in November 2013, as his boiler had stopped working. He did not have any insurance cover at the time but British Gas offered a "repair and cover" policy, which meant it would carry out the repair for a fixed amount of £99, and also issue a policy for future cover, subject to an inspection of the boiler.

An engineer attended the next day and carried out a repair. However, he also diagnosed that some work was needed to the pump, which wasn't covered under the £99 repair fee.

The additional parts were fitted the following day, which Mr A paid for privately, and the first inspection for the insurance policy was completed. During that inspection the engineer recommended that a powerflush be carried out, which would not be covered by the policy.

Mr A complained to British Gas, as he considers the pump should have been covered under the policy. In addition, it was the same part that was replaced by British Gas in 2006 as part of a claim covered by a previous similar boiler cover policy he had with it (which ended in 2007). He says that the replacement fitted in 2006 was not new and therefore he should not have to pay for its replacement now. Mr A also says that he paid British Gas to carry out a powerflush on his system in 2006 and the policy says that this came with a lifetime guarantee; therefore he should not have to pay for a further powerflush.

Mr A also says that his name and address have been recorded incorrectly on his new insurance documents.

British Gas says that the pump issue was unrelated to the breakdown covered under the £99 repair cost; and that the guarantee for the previous powerflush would only apply if Mr A had continued his policy since having it done. However, he ended his policy in 2007 and didn't take it one out again until 2013.

Our adjudicator didn't recommend that the complaint should be upheld. He considered that most of the issues were ones that we could not consider, as they were not about the insurance cover. He did not believe that British Gas had acted unreasonably in declining to carry out a powerflush under the policy, as the guarantee was not relevant and such work is not covered under the policy. He also didn't consider that the pump was covered by the insurance, as the fault with it had occurred before the start of the insurance cover.

However, the adjudicator arranged for Mr A's policy details to be corrected so that his name and address were correctly shown on correspondence.

Mr A didn't agree with our adjudicator. He said that British Gas should have told him that the guarantee on the powerflush was dependant on him keep the policy in place when he purchased it in 2006. He was sold an agreement that his boiler would be fixed and he would have insurance cover for a payment of £99 plus £23 per month thereafter and therefore he wants the amount he paid for the pump to be refunded.

In addition, Mr A says that his boiler has not worked properly ever since.

The complaint has now been passed to me.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Under our rules, we have the power to consider a complaint about an activity which is regulated by the Financial Conduct Authority. The “effecting and carrying on” of insurance (i.e. providing insurance and dealing with claims under an insurance policy) are regulated activities that we can look at. However, we do not have authority to consider a complaint about an activity which is not regulated, such as a one-off repair or service not carried out under an insurance contract.

British Gas has said that when it attended to complete the repairs under the one-off repair Mr A paid for in November 2013, it diagnosed a separate fault with the pump. As mentioned above, I can’t consider complaints relating to one-off repairs as they are not regulated activities. Therefore I can’t make any decision about whether the pump should have been covered as part of the agreement to repair the boiler for the fixed fee before the insurance cover started.

I can consider whether this should have been covered under the insurance policy that was purchased at the same time as the one off repair. However, the nature of insurance is to cover unforeseen risks that occur during the insured period of cover and not to cover breakdowns that occur prior to it being in place. And British Gas policies specifically exclude faults that exist prior to the policy being set up. I note that Mr A thinks the policy terms which excludes pre-existing faults is unfair, as any problem with his boiler could be rejected on this basis. However, I don’t agree that it is unfair in principle, or that it has been unfairly applied in this case. British Gas found an existing fault on the day before it inspected the boiler to see if it would accept the insurance risk of the boiler. In view of this, I am satisfied that British Gas didn’t unfairly decline to cover the replacement of the pump under the policy as it was a fault that existed prior to the policy being purchased.

Mr A has also said that the pump had been replaced in 2006, with one that was not new and therefore he shouldn’t have to pay for another one. There is no convincing evidence that the repair in 2006 wasn’t carried out properly and therefore I’m not persuaded that this is a reason to require British Gas to refund the cost of the pump.

Turning to the matter of the powerflush, Mr A has said that he originally purchased a powerflush from British Gas in 2006 and that the policy provides a guarantee which means that he should not be charged for any future power flushes required.

However, British Gas has said that the guarantee doesn’t apply as Mr A cancelled his previous policy in 2007 and didn’t purchase another one until November 2013.

The policy does exclude any cover for “*Removing sludge or hard-water scale from your system or appliance*”. Therefore a powerflush is not normally covered under the insurance cover. Where one is paid for by an insurance policy holder then there is apparently a ‘lifetime guarantee’:

“British Gas Powerflush™

You can buy British Gas Powerflush to remove sludge and other waste from your central heating system. Once you have bought British Gas Powerflush from us, there will be no charge for any future British Gas Powerflush work that may be needed, as long as you keep a continuous HomeCare Agreement (including boilers) at that property.”

In view of this, although I can see why Mr A may consider this to be unfair, I am satisfied that British Gas wasn't obligated to complete a powerflush under the policy, as the removal of sludge and scale is specifically excluded and Mr T has not held continuous cover since the last powerflush in 2006 which means the guarantee on the previous powerflush has expired.

Mr A says that he should have been told in 2006 to keep the policy going to protect the guarantee. The policy section set out above does inform Mr A that he would need to keep the policy going to have the continuing guarantee. And, even if I thought it should have told him in another way – which I don't - Mr A clearly didn't want the policy for some six years, and I don't think he would have kept it going just for the powerflush guarantee.

Mr A says that this boiler has not worked properly ever since the repair in November 2013 but it appears that he has not made any claims in that time to British Gas. As I don't think it needed to do anything else in November 2013, I can't hold it responsible for any problems with the boiler, which have not been reported to it since then.

I also understand that British Gas had incorrectly recorded Mr T's name and address on the policy. I am pleased to note that this has now been sorted out and therefore I don't need to make any finding about this.

my final decision

I do not uphold this complaint against British Gas Insurance limited.

Harriet McCarthy
ombudsman