

complaint

Mr D is complaining that he thinks British Gas Insurance Limited (British Gas) damaged his boiler when he claimed on his home emergency insurance policy.

background

Mr D's boiler broke down so he contacted British Gas to ask it to repair it under his home emergency insurance policy. British Gas's engineer diagnosed that a motorised valve had failed, which he replaced. But he said that the casing protected the boiler had broken which needed replacing. Unfortunately a replacement casing wasn't available so he said he couldn't repair it.

Mr D contacted British Gas to complain as he thinks the engineer damaged the casing as he says it was fine beforehand. So he says that British Gas should pay to repair it. It said it wasn't able to do so because it couldn't get a replacement part. But it said that, if Mr D was able to arrange for another party to repair the casing successfully, it would refund this cost. It also offered a £700 discount off a new boiler if he wanted British Gas to fit one.

Mr D didn't agree to this as he says British Gas should pay to repair it. He arranged for another company to inspect the damage who said that the casing was damaged due to an 'over-torque of the screw'.

Mr D says that he was without his boiler during this time so he had to use his immersion heater which he says was a lot more expensive. He's since replaced his boiler which he says he wouldn't have had to do, had the casing not been damaged.

Our investigator upheld the complaint. He was of the opinion that it's most likely that the engineer damaged the casing. And he was satisfied that Mr D was out of pocket as a result. But he didn't think it was fair to require British Gas to pay for the full cost of the boiler as his boiler was 16 years old and on a reduced parts list. So he thought British Gas should contribute 25% towards the cost of replacing the boiler (around £400). He also thought it should refund the cost of the independent report that Mr D incurred (£125). Finally he thought this matter had caused Mr D a lot of trouble and upset and increased costs due to being without a boiler. So he thought it should pay a further £400 towards this.

British Gas accepted the investigator's opinion. Mr D didn't agree and raised the following points:

1. The boiler was working before British Gas's visit and there was no reason why it wouldn't have worked for many more years;
2. The boiler passed the service;
3. The engineer failed to take reasonable care and skill in repairing the boiler and he's lost out around £3,000 as a result;
4. He estimates that he's incurred around £1,000 extra in heating costs due to having to use the immersion heater;
5. They're in the process of moving house so won't get the benefit of having a new boiler.

As Mr D didn't agree with the investigator's opinion, the complaint's been passed to me to decide.

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 accepted the investigator's opinion, so it has in effect accepted that it's most likely the engineer damaged the casing. Given this, I don't think I need to make a finding on whether it damaged it or not. So the issue for me to decide in this decision is whether the compensation the investigator recommended is fair or not. I've decided to partially uphold this complaint and I'll now explain why.

British Gas is required to put Mr D back in the position he would be in had the casing not been damaged. Given the part wasn't available anymore, it was fair for it to ask Mr D to ask another party to try and repair it. But it appears this wasn't possible so Mr D had to replace the boiler.

To put Mr D in the same position, he needed to install a replacement boiler of the same make, age and condition as his before the casing was broken – i.e. with a 16 year old boiler.

It's entirely understandable why Mr D wasn't willing to do this – or if it was in fact possible to do so. But to require British Gas to pay for a brand new boiler would put him in better position than he would've been in. And I don't think that's fair.

I'm also conscious that, due to the age of the boiler, it's likely to have broken down again in the near future. I note that British Gas had had to attend the boiler twice in the six months. And the engineer had recommended its replacement at the previous visit. Given the boiler was on a reduced parts list it's possible that it would've been 'written-off' at some point in the near future in any event and Mr D would've had to replace it then.

Ultimately, while I appreciate Mr D wasn't looking to replace the boiler at that time, I don't think it's fair to require British Gas to have to pay for the full replacement cost. And I think it should pay £400 towards it. I also think it should pay 8% simple interest per year from the date Mr D paid for the boiler until British Gas issues the settlement.

Mr D has said his heating bill significantly increased afterwards. He says his energy usage has increased by around 40kWh per day which he says equates to around £7.10 per day. So he says it's cost him around £994. But Mr D hasn't been able to give us anything to show this.

I don't dispute that he's out of pocket as a result of what's happened. But I also have to take into account his heating bill will go down with a new efficient boiler (although I note his comments that he's looking to move house). Also there inevitably would've been a period of time where he was without a boiler while it was being repaired/replaced. And his costs would've gone up during that time. Given this, I think British Gas should pay £500 to Mr D to compensate him for the additional costs incurred and the trouble and upset it's caused him.

Finally Mr D incurred £125 in getting an independent report into what caused the damage to the boiler's casing. I think British Gas should refund this too. It also should pay 8% simple interest per year on it from the date Mr D paid it until British Gas issues the settlement.

my final decision

For the reasons I've set out above, it's my final decision that I uphold this complaint. I require British Gas Insurance Limited to do the following in settlement of this complaint:

1. Pay £400 towards the cost of replacing the boiler;
2. Refund the £125 Mr D incurred in getting an independent report into what caused the damage to the boiler's casing;
3. Pay 8% simple interest in respect to the above awards from 12 October 2017 (the date Mr D paid them) until it issues settlement; and
4. Pay £500 for the trouble and upset and increased energy costs it's caused Mr D to incur.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 7 March 2018.

Guy Mitchell
ombudsman