

complaint

Mrs L complains that British Gas Insurance Limited has mishandled a claim under her home emergency policy.

background

Mrs L had a home emergency policy with British Gas for many years. In August 2015 she reported a leak from her boiler to British Gas. It sent out an engineer who was unable to find the cause. But he recommended that Mrs L change her boiler.

In September 2015 the boiler suffered another leak and Mrs L called British Gas. This time the engineer said that the cause of the leak was the heat exchanger which had been blocked by a build-up of sludge and scale. The engineer told Mrs L that this repair wasn't covered by the policy. This was because she had been advised earlier to have a power flush carried out on her central heating system but hadn't done so. And the policy won't cover repairs to damage caused by "limescale, sludge or other debris" if the policyholder had been told by British Gas to carry out repairs and hasn't done so.

Mrs L complained to British Gas as she thought there wasn't a need for a power flush. She also said that British Gas hadn't told her before that the system needed one. But British Gas said that it had told her the system needed a power flush in 2009 and 2010. It also said that it had taken samples of water from her heating system in September 2015. This had been tested by an independent company which had confirmed a power flush was required. It offered to do the power flush but then change the heat exchanger for free or to change the heat exchanger, but charge for the work.

Mrs L complained to this service. Our adjudicator recommended that it shouldn't be upheld. The adjudicator said that the evidence showed Mrs L had been advised for some time to get a new boiler by British Gas. And that without an independent engineer's report disputing the findings of British Gas there wasn't any evidence to show the problem had been misdiagnosed. Mrs L didn't agree and so the complaint has been passed to me.

I sent Mrs L and British Gas a provisional decision setting out my initial thoughts along the following lines. Mrs L had been advised by British Gas at two visits to her home, one in November 2009 and one in November 2010 that her system needed a power flush. She was also given advice about the age and efficiency of her boiler.

But British Gas couldn't tell me what was actually said to Mrs L. So, I didn't know how strongly recommendations were made about improving her system. And although she was given the advice about the power flush in 2009 and 2010, British Gas repaired her boiler in 2010 and March 2011 for problems relating to sludge and scale. So, British Gas hadn't applied this exclusion after giving its recommendation. I thought it was unfair for it then to apply it when the advice it had given was nearly six years ago.

Mrs L had said she was mis-sold the policy and asked for all her premiums to be repaid. But she had had the benefit of the cover over many years with various services and repairs. So I didn't think the policy was mis-sold to Mrs L and I didn't think it would be reasonable for me to tell British Gas to repay her premiums.

But I thought British Gas' decision to apply the exclusion clause to repairing the heat exchanger was unreasonable and unfair. On the evidence I'd seen I thought it was likely that

Mrs L's boiler now required a power flush. But I didn't think British Gas had been clear enough about the strength of its earlier advice to her and the effect it could have on her cover if she didn't follow it. So I intended to uphold Mrs L's complaint.

Neither Mrs L nor British Gas made any comment on my provisional decision.

my findings

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

Neither party has given me any new evidence or information that's changed my initial thoughts. For the reasons I set out in the provisional decision, and summarised above, I think British Gas' decision to apply the exclusion clause to repairing the heat exchanger isn't reasonable or fair. And I'm upholding Mrs L's complaint.

my final decision

I'm upholding Mrs L's complaint. I require British Gas Insurance Limited to repair Mrs L's heat exchanger, or cover the cost of that repair if she has had it done by a private company.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 8 August 2016.

Jocelyn Griffith
ombudsman