

complaint

Mr M complains that British Gas Insurance Limited failed to carry out annual services on his boiler correctly, which has resulted in higher gas bills.

background

I issued my provisional decision on this matter in January 2016, part of which is copied below:

“Mr M has had a policy with British Gas that covered his boiler and central heating system, including carrying out an annual service of the boiler. From 2007 onwards, he noticed that his gas bills were high. He says that he mentioned this every time British Gas attended but he was assured that everything was operating correctly.

In the end, Mr M had an independent engineer inspect his boiler and he reported that there were three faults, which he believed were contributing significantly to the increased gas consumption. The boiler timer was faulty, which meant it was permanently on; one of the zone valves wasn't wired into the control circuit; and the thermostat on the water cylinder was faulty.

Mr M wants British Gas to cover the cost of additional gas consumption over the last few years, as he thinks that it should have spotted these faults during any one of the visits it made to inspect the boiler.

British Gas repaired the faults but says that they wouldn't usually be identified during an annual service. It says that they would normally only be found if concerns of high consumption had been reported. It says it has no record of Mr M contacting it to report high gas usage and disputes that they would have all caused higher usage, although it accepts that the thermostat issue might have done. It did, however, offer to refund one year's premiums of £276.60, as a goodwill gesture.

One of our adjudicators looked into the case and didn't recommend that it be upheld. While there was evidence of a decrease in gas consumption, she didn't think the faults would have been identified during an annual service and there was no evidence to support that Mr M had raised concerns about high gas consumption. In addition, the gas consumption seemed to reduce before the repairs were carried out, according to the evidence provided by Mr M.

Mr M didn't accept the adjudicator's assessment. He says:

- *He told each engineer that attended to inspect his boiler of the increased gas usage but they always assured him everything was working correctly.*
- *One of the faults was that the timer wasn't working properly and so the boiler was remaining on constantly – there can be no doubt this would increase gas usage.*
- *British Gas engineers at every service recorded that the timer was working correctly, yet it took his own engineer only two minutes to ascertain that it was not working at all. And he has confirmed that this would have caused a significant usage of gas.*
- *On the third fault (cylinder tank thermostat permanently closed circuit) this thermostat was completely useless and not performing it's function. British Gas told him that it had been checked and in working order. British Gas admits that this could have contributed to our gas usage.*

- *The adjudicator referred to a 'significant' drop in consumption between 2008 and 2009, when this was a mere 6,130 kilowatt hours compared to the drop of more than 28,000 kilowatt hours per year following the faults being rectified. The small drop in consumption between 2008 and 2009 was when he was away.*
- *Gas usage has continued to be some 20,000 kilowatt hours below the usage from 2007 and 2011, and there have been no lifestyle changes.*

my findings

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

Mr M points out that the annual service isn't just to check the safe operation of the boiler. I agree with this and so apparently does British Gas. The engineer's checklist has a section to confirm that they checked the timers and programmers and on each occasion it has been ticked to show they were checked and working correctly. However, certainly in respect of the boiler timer, this can't have been checked properly. And British Gas seems to accept that the timer issue should have been identified (even if the other two issues wouldn't have been identified during a normal annual service).

British Gas says the other two faults would probably have been identified if it had received a report from Mr M that his gas usage was high but that it hadn't been.

I do find Mr M's assertion that he told the British Gas engineers that his gas consumption was high, when they attended for annual services, credible. Otherwise he'd have had no reason to employ his own independent engineer to investigate. After all, he had a policy that covered repairs to his boiler and so he wouldn't have paid for another engineer to look at it, unless he felt it wasn't being addressed by British Gas.

Mr M may not have reported it as a claim under the policy but if he told the servicing engineers of the issue, I'd have expected them to pursue it.

So, having decided that British Gas should have investigated the gas usage and spotted all the issues that Mr M's engineer did, it remains for me to determine whether the gas usage would have been lower but for this failure by British Gas.

British Gas says that the timer and zone valve issue wouldn't have caused any increase in gas use but the cylinder thermostat might have done. It also says that the drop in consumption started six months before the faults were rectified and so can't be entirely due to these faults.

Mr M's engineer says that all three faults would inevitably have resulted in increased gas usage; the timer fault for instance meant that the boiler was always in operation which would of course use up gas. I find Mr M's engineer's evidence persuasive. It seems illogical to say that a fault which meant the boiler didn't switch itself off, wouldn't cause increased gas usage. And in any case, British Gas accepts that the thermostat issue would have caused higher consumption.

Mr M has provided evidence of his gas usage from 2007 to 2014 as follows:

2007-2008 47,718 kilowatt hours

2008-2009 41,588 kilowatt hours

2009-2010 49,430 kilowatt hours
2010-2011 52,589 kilowatt hours
2011-2012 23,996 kilowatt hours
2012-2013 26,189 kilowatt hours
2013-2014 31,117 kilowatt hours

According to British Gas, the average gas consumption for a similar size house, also occupied by two people, is apparently 33,271 kilowatt hours per year.

The repairs were carried out in early February 2012. I can see that around six months of the usage for 2011-2012 was before the faults were rectified but there has been a consistent reduction in usage since then. And Mr M says that for the whole of year 2011-2012, he and his wife curtailed their usage significantly because of the high bills.

There may well have been another contributory factor in the reduction in that year but it still seems apparent to me that a significant proportion of this reduction would have to have been due to the repair of these faults.

It seems to me therefore that Mr M has established that he was paying significantly more than he should have been because British Gas didn't inspect his boiler properly and fix the timer and other issues earlier. It is difficult to be precise about this but in my opinion a payment equivalent to the cost of 50,000 kilowatt hours of gas would seem to me to be reasonable, and allows for some other variables which may have been in play.

Mr M's tariff seems to have been 3.74 pence per kilowatt hour and so the amount I would suggest would be £1,870. Either party can provide further evidence of the appropriate tariff in response to this provisional decision, if this isn't correct. This payment is in addition to the refund of premiums, which would seem to be reasonable compensation for the inconvenience caused.

my provisional decision

I intend to uphold this complaint and require British Gas Insurance Limited to pay Mr M compensation of £1,870, in addition to the refund of £276.60."

developments

I invited both parties to respond to my provisional decision with any further comments or information they wanted considered.

British Gas hasn't responded.

Mr M has responded; he accepts my provisional decision and has no further information to add.

my findings

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

As neither party has provided any further information, I see no reason to change my provisional decision. I therefore remain of the opinion that British Gas should have

investigated the gas usage and if it had, the problems with the boiler would probably have been resolved sooner than they were. Because of this I think it should compensate Mr M for the increased gas bills.

my final decision

I uphold this complaint and require British Gas Insurance Limited to pay Mr M compensation of £1,870, in addition to the refund of £276.60.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 April 2016.

Harriet McCarthy
ombudsman