

The complaint

Mrs B has complained about the handling of a claim under her boiler and central heating insurance policy with British Gas Insurance Limited.

What happened

In July 2022, Mrs B contacted British Gas as there was water dripping from a valve in her boiler. An engineer attended and said a part was needed and made an appointment for 25 July 2022 to fit it. However, the engineer that attended on 25 July 2022 didn't have the spare part and didn't know why he had been sent out. Another appointment was made for 3 August 2022 but again that engineer said he didn't have the part and he couldn't do the job. Another appointment was made for 19 August 2022. Mrs B contacted British Gas to make sure whoever attended came with the part. However, she says that again the engineer attended without the part and didn't know why he had been sent out. The part was finally replaced on 5 September 2022. The job notes from that day say that a new valve was fitted but the engineer could not get the boiler working and Mrs B was without heating or hot water.

British Gas said that there was a problem with the circulation of water through the central heating system and that a powerflush was needed. British Gas came to do the powerflush but couldn't do it because of the type of cylinder Mrs B had. British Gas said that Mrs B would have to pay for a new cylinder to be fitted. She was quoted £2,367.25 for this but British Gas also offered a discount of just over £473, so she was charged £1,893.82.

On 10 November 2022, British Gas installed the new water cylinder and the powerflush was done. British Gas said it would do the powerflush free as a gesture of goodwill but that it should have been chargeable.

Mrs B says the engineer left wires dangling; had removed the kickboard of the plinth that the cylinder sat on and put it in their rubbish; had not put floorboards and carpet back properly and had left rubbish at the property. Mrs B also reported that the timer for the heating did not work properly.

British Gas collected the rubbish and on 18 November 2022 it attended to fit a new programmer (although I understand a second visit was needed as it didn't work initially). The boiler was finally fixed and working after this but the floorboards, plinth and wires were still not sorted out.

Mrs B is very unhappy with the service provided by British Gas. I have considered everything she has said but have summarised the main points below:

- At one of the first visits about the leak, she was asked to cut a hole in a kitchen unit, so an engineer could access a pipe that was not necessary.
- She agreed to the new water tank as she was told she had no choice but has since checked the policy terms and it should have been covered under the policy.
- There was no problem with the tank previously, the issue was a leak from the boiler.
- She was without heating and hot water (having to use the immersion heater) from 5 September to 10 November 2022, which caused a great deal of inconvenience and

- meant she incurred £200 in additional electricity costs.
- Wires were left in a mess and needed cable tying together.
 - A floorboard was lifted to fit a pipe but was not repositioned correctly and as it is immediately outside the bedroom door, was a trip hazard.
 - An appointment was made for 17 March 2023 to sort these issues out and this was confirmed twice but on the morning of the appointment she was told it was cancelled. After complaining, the appointment did go ahead that afternoon. However, the engineer that arrived wasn't able to complete the job. He tidied up some wires and cable ties but didn't sort out the floorboards or plinth.
 - Her husband wasted a week's worth of holiday waiting for engineers that either couldn't do the job or didn't turn up.
 - The delays in repairing the boiler and the way the property was left has caused considerable difficulty for her and her husband and she asks for compensation.
 - In January 2023 she was chased by debt collectors for the cost of installation of the cylinder.

British Gas says it did not do anything wrong but offered £200 compensation for the inconvenience caused by multiple appointments and for a call not being returned to Mrs B.

One of our Investigators looked into the matter. He upheld the complaint in part as he thought British Gas should pay an additional £100 compensation but he did not think it should have covered the cost of the replacement of the cylinder.

Mrs B did not accept the Investigator's assessment.

British Gas did not accept the Investigator's assessment either. It said it was necessary for the old cylinder to be replaced with an unvented cylinder in order for the powerflush to be carried out, and the discount given on the cylinder and the powerflush being carried out free of charge (which can cost up to £800) and the £200 compensation is fair and reasonable and takes into consideration, any distress and inconvenience caused. It doesn't therefore agree that an additional £100 is due.

As the Investigator was unable to resolve the complaint, it was passed to me. I issued a provisional decision on the matter in September 2023, the main part of which is copied below:

Policy terms

Mrs B's policy provides cover for boiler and central heating breakdowns. It says:

"Boiler breakdown

What's included

All repairs to:

- *a single natural gas or Liquid Petroleum Gas boiler or warm-air unit on your property, that's designed for home use and has a heat output capacity of up to 70kW...*

Central Heating breakdown

What's included

- All repairs to the heat and hot water system on your property, for example:*

- *expansion tank, radiators, bypass and radiator valves (including HIVE radiator valves);*
- *warm-air vents;*
- *cylinders and any immersion heater and its wired in timer switch; and*
- *the pipes that connect the central heating system*

□ *A replacement of parts of your central heating if we can't repair them."*

Both sections of the policy also contain the same exclusion, which says it will not cover:

"Damage caused by limescale, sludge or other debris – if we've told you before that you need to carry out repairs, improvements or a British Gas Powerflush, or a similar process, but you haven't done so".

The policy also says:

"British Gas Powerflush

Over time, gas central heating systems build up sludge that can block or narrow your pipes, radiators and boiler parts. British Gas Powerflush is our way of removing that sludge from your system. We'll tell you if your system needs a powerflush to work properly. You'll need to pay for it separately – it isn't included in your cover".

Some repairs were carried out to the boiler but British Gas said the reason it still didn't work after replacing the water valve is because there was a blockage in the system. The only notes regarding this are the engineer's handwritten job sheet that says the boiler was not firing up.

I have set out extracts from some of the job sheets left with Mrs B below:

5 September 2022: *"replaced water valve"* and then in other comments section of what was needed says *"fit pump blockage in system rebooked to try flush"*.

30 September 2022: *"system = no circulation = therefore boiler wont fire can't be tested"*.

10 November 2022: *"parts fitted today unvented cylinder valves filter and pump"*.

I've not seen any evidence that British Gas took water samples or any other evidence that the only way of fixing the issue and getting the boiler to fire up was by way of a powerflush. It seems a new pump was also needed on 10 November 2022.

British Gas says the powerflush would normally be chargeable but it agreed to do it free of charge as a gesture of goodwill. However, I think the policy terms regarding the powerflush quoted above to be contradictory. The policy clearly provides for repairs as a result of sludge provided there has not been advice to have a powerflush previously. There is no evidence Mrs B was ever advised to have a powerflush done previously. So it seems to me that if the boiler was not working because of a blockage of sludge (which as mentioned above has not been proven) then this would be covered. I don't think it is clear enough how these two policy terms would work in practice together and this might be why British Gas agreed to do the powerflush free

of charge. In any event, from my experience a powerflush is not the only way of resolving a blockage and, as stated above, failure of the boiler due to a blockage of sludge would be covered.

British Gas also said that the powerflush could not be done because of the type of cylinder Mrs B had and so this needed to be changed.

From the evidence it seems to me that British Gas opted to do a powerflush in order to try and resolve the cause that it says was stopping the boiler from working. There is certainly not enough evidence to establish that this was the only way of getting the boiler working. It does not seem fair and reasonable under those circumstances to me to require a policyholder to then pay for the replacement of a cylinder – that was not damaged or failing in any way - in order to do the repair that way, when there likely would have been other options available that would have been covered under the policy.

There is no evidence that there was any other repair option offered to Mrs B and that she chose to pay privately for the new cylinder instead. She may have agreed to pay for it at the time but this was because she was seemingly told there was no other option.

And, even if the powerflush was the only way to repair the boiler, the policy terms are not sufficiently clear and I think most people would reasonably expect that any work required to repair the boiler would be covered. The central heating breakdown part of the policy (quoted above) states that replacement of parts of the central heating system – which would include cylinders – is covered if British Gas can't repair them. So if the powerflush were the only way to repair the boiler and the powerflush could not be done without changing the cylinder then it seems to me they are all steps in the repair of the boiler, which should be covered under the policy.

British Gas has also said that the new cylinder was an upgrade, which is why it was chargeable. This is disputed by Mrs B anyway, as she says she would have wanted to retain the immersion heater function. But if it was needed (upgrade or not) in order to get the boiler working again then I consider it should have been covered. And British Gas has not established that this was the only possible option or that Mrs B chose this option.

I therefore consider that British Gas should reimburse Mrs B any of the cost of the cylinder ... [she has] already paid and ensure she is not charged any more.

I also consider that some additional compensation is warranted to reflect the trouble this matter has caused to Mrs B. There were several wasted appointments and numerous phone calls chasing British Gas. Mrs B and her husband were also with heating and hot water for considerably longer than should have been the case, if the repairs had been dealt with in a reasonable time.

Mrs B was then convinced to agree to replacement of the water cylinder, which she says she didn't want and which means she now has no immersion heater back up if there are any future problems with the boiler. In addition, the work replacing the cylinder was not completed satisfactorily and she has had a number of further visits and calls in order to resolve those issues. Mrs B has also received debt collection letters which would have been distressing I'm sure. In my opinion, having taken everything into account, an additional payment of £400 is appropriate compensation for the distress and inconvenience caused by this matter, and £200 for the additional electricity charges that Mrs B incurred due to the delay in repairing the boiler. For the

avoidance of doubt this is in addition to the £200 already offered, so a total compensation payment of £800.

It is not clear if the woodwork issues at Mrs B's home have been rectified yet. I would invite both parties to provide an update on this in response to my provisional decision.

My provisional decision

I intend to uphold this complaint and require British Gas Insurance Limited to do the following:

- Reimburse Mrs B any monies she has paid for the replacement cylinder, together with 8% simple interest per annum from the date she made any such payment to the date of reimbursement.
- Ensure that any outstanding amount billed for the replacement cylinder is written-off.
- Pay Mrs B £200 for the additional electricity charges she incurred due to delays in repairing the boiler.
- Pay Mrs B a total of £600 compensation for the distress and inconvenience caused by its handling of this matter. This includes the £200 British Gas already offered, so if that has already been paid, it only needs to pay the additional £400 now."

Responses to my provisional findings

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

Mrs B has confirmed she accepts my provisional decision. She has also confirmed that the woodwork repairs have been completed satisfactorily.

British Gas has confirmed it has no points to raise in response to my provisional decision, save to also state that it believes the woodwork issues have been resolved satisfactorily.

What I've decided – and why

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

I am pleased to note that the outstanding repairs have been completed to Mrs B's satisfaction. As neither party has provided any further information or evidence in relation to the other matters, I see no reason to change my provisional findings. I therefore remain of the opinion that British Gas should have covered the replacement of the cylinder under the policy and so should reimburse the amount Mrs B has paid towards this. I also remain of the opinion that compensation is due for the handling of the claim and the electricity charges Mrs B incurred, as set out in my provisional decision.

My final decision

I uphold this complaint and require British Gas Insurance Limited to do the following:

- Reimburse Mrs B any monies she has paid for the replacement cylinder, together with 8% simple interest per annum from the date she made any such payment to the date of reimbursement.

- Ensure that any outstanding amount billed for the replacement cylinder is written-off.
- Pay Mrs B £200 for the additional electricity charges she incurred due to delays in repairing the boiler.
- Pay Mrs B a total of £600 compensation for the distress and inconvenience caused by its handling of this matter. This includes the £200 British Gas already offered, so if that has already been paid, it only needs to pay the additional £400 now.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 30 November 2023.

Harriet McCarthy
Ombudsman