

The complaint

Mr H complained about the level of customer service he received from British Gas Insurance Limited ("British Gas") under his home emergency policy.

What happened

Mr H had his boiler serviced regularly by British Gas under his policy. A month after his service, Mr H made a claim as he noticed water dripping from his boiler.

An engineer from British Gas investigated and identified a damaged flue was the cause of the leaking water. The engineer identified the internal casing of the boiler was heavily corroded.

Mr H felt British Gas had been negligent whilst servicing his boiler. He said the engineer had told him it was likely a long-standing issue. Mr H felt that British Gas should've highlighted this issue to him earlier. Mr H has now replaced his boiler as he was worried that it may break down during the Winter.

British Gas said it had serviced the boiler properly and there were no reports of rust inside the boiler prior to the last visit. It said its engineers hadn't seen anything that impacted the safety of the boiler. It said a hole would need to be in the casing for it to say the boiler was unsafe.

Our investigator decided not to uphold the complaint. He didn't think there was evidence there was rust inside the boiler before the last visit and he said it was Mr H's own choice to purchase a new boiler, so he didn't think British Gas was at fault. Mr H disagreed, so the case has been referred to an ombudsman.

My provisional decision

I issued a provisional decision on this on 22 January 2023. I said:

"I've reviewed British Gas' notes from its investigation into the complaint. I can see it said

"rust inside the boiler will have no impact on the safety of the appliance until it reaches a point where there's a hole in the case, at this point the boiler would be unsafe but not before. It would just be a recommendation to replace the boiler"

"Yes, the service engineer in July should have seen the rust, they may have seen the rust but if it was not affecting the safety of the boiler they may not have told the customer. Looking at their job report they have serviced it correctly as they found that the burner seal needed replaced".

"[the rust] may have been caused by the faulty burner seal that was replaced on the ASV, the flue seals were also replaced after this. These are two of the most likely causes of the rust so now they have been replaced hopefully the rust will not get any worse".

Mr H thinks British Gas should've better communicated with him there were issues with his boiler given it had serviced his boiler for several years. He said the engineer had told him it was a long-standing issue. In British Gas' formal communications with Mr H I can see it has argued it couldn't say how long the issue had persisted for.

I've reviewed photographs Mr H has provided. From the level of corrosion that can be seen, I think it's evident that it would've been visible at the last service that British Gas did. Therefore, I think British Gas has failed in alerting Mr H to the issue of corrosion within his boiler. I appreciate British Gas have said this wasn't a safety issue at the time. However, I would think as it is something that could become a safety issue Mr H should've been alerted to the fact. Therefore, I intend to uphold this complaint.

I've considered whether British Gas' approach caused Mr H to unnecessarily purchase a new boiler. From the engineer's reports, it can be seen the boiler was still functioning fine and wasn't a safety risk. So, I don't think it's reasonable to say Mr H did need a new boiler. British Gas never told Mr H he needed one. However, Mr H has argued the issues have accelerated his need to purchase a new boiler.

I've considered Mr H's viewpoint. I can see after the last service British Gas had advised Mr H a repair was required, and it also identified an issue with the flu. British Gas thinks one of these issues is likely to have caused the corrosion. In the absence of any other evidence or theory to the cause of the corrosion, I think it's fair to assume this was the cause.

I've considered whether British Gas failed in identifying any of these faults in earlier services. I don't think it's possible for me to conclude either way. It's uncertain when the issues started. It's possible that the faults started within the last year, so may not have been visible in the service 12/15 months ago. British Gas rectified the fault on the last service. Therefore, I can't reasonably conclude that British Gas didn't carry out its services correctly, so I can't see evidence British Gas accelerated the decline of the boiler.

I do intend to uphold this complaint however, as I think British Gas should communicate all issues with customers when servicing their boilers. I think if British Gas had done this, then Mr H would've known the corrosion was visible in the most recent service. He would've had an accurate understanding of the condition of his boiler. Therefore, I think British Gas should pay £150 compensation for not sharing the full findings from its service. I think this has caused distress for Mr H, which has been made worse by British Gas not immediately admitting this in its investigation".

Responses to my provisional decision

Mr H accepted my provisional decision, and he didn't have anything further to comment.

British Gas didn't accept my provisional decision. British Gas said it did think compensation was warranted. It said the observed rust didn't have an impact on Mr H or the safe operation of his boiler, so it didn't feel the need to inform Mr H.

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.

Given neither party has provided any new information, I see no reason to change my provisional decision. I think it's reasonable that in buying an annual service, Mr H should expect to receive an accurate understanding of the condition of his boiler.

I've noted that British Gas said one of the previous issues is likely to have caused the corrosion. I think this is an important piece of information – which should've been shared. If Mr H wasn't aware of this, he may have thought there was a new issue with his boiler. Or if Mr H chose to use his own engineer in the future, he may also have to come to the wrong conclusion, if Mr H wasn't aware of the original cause.

My final decision

My final decision is that I uphold this complaint. I require British Gas Insurance Limited pay Mr H:

- £150 compensation – for distress and inconvenience.

British Gas Insurance Limited must pay the compensation within 28 days of the date on which we tell it that Mr H accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 26 February 2024.

Pete Averill
Ombudsman