

The complaint

Mrs W has complained about how British Gas Insurance Limited (British Gas) dealt with a claim under a home emergency policy.

What happened

Mrs W contacted British Gas when she had an issue with her central heating. An engineer visited and found the pump was the wrong way round, so he replaced it and put the pump the right way round. However, the issue remained because the pipework was the wrong way round and needed to be fixed.

Mrs W complained because she said British Gas had agreed to fix the pipework under the policy and had then gone back on this. When British Gas replied, it explained what its engineers had done. It also said it had sent the wrong type of engineer, but that its engineers had offered to quote for work to deal with issues with the system that weren't covered by the policy. However, it said it didn't offer to do the work for free. British Gas offered £60 compensation for the inconvenience caused to Mrs W.

When Mrs W complained to this service, our investigator upheld the complaint in part. He said British Gas didn't need to deal with the pipework under the policy. However, he said British Gas caused Mrs W distress, upset and worry because of how it handled the claim, including misadvising her about what was covered, the loss of expectation and the multiple engineer visits. He said British Gas should pay an additional £300 compensation.

Both Mrs W and British Gas disagreed with the outcome, so the complaint was referred to me.

I issued my provisional decision on 2 November 2023. In my provisional decision, I explained the reasons why I wasn't planning to say British Gas needed to do anything further. I said:

Mrs W had a HomeCare policy with British Gas from January 2022 to January 2023. Shortly before the policy was due to expire, Mrs W reported an issue with her central heating. An engineer visit was arranged for after the policy expiry date. Mrs W didn't renew the policy at that time.

The engineer visited and said a new pump was required and that it had been fitted the wrong way round. The engineer returned about a week later and fitted the pump the right way round. The same day, the heating started to make loud noises. So, Mrs W contacted British Gas and another engineer visited, who said he thought there was a blockage in the pipes. Another engineer visited the following day, who said the flow and reverse pipes were round the wrong way. I'm aware Mrs W has said it was her daughter's boyfriend who thought the pipes were round the wrong way and it was only when she suggested this to the engineers that it was identified as the issue.

Mrs W spoke to British Gas about her concerns, including that she thought the engineers should have identified the issue earlier and that she was concerned British Gas wouldn't

deal with the issue by saying it was pre-existing. Mrs W told this service British Gas had assured her it would carry out the repair under the policy.

I've listened to the phone calls. Mrs W explained that she didn't think it should have taken four visits for an engineer to find that the pipework was around the wrong way. She said the engineer told her dealing with the pipework was an upgrade because she was out of contract. Mrs W disagreed with this because she was in contract when she made her first call. A bit later in the call, Mrs W said the engineer told her he was going to email heating upgrades to refer it to them. She asked British Gas if this was correct. The call handler said it wasn't because upgrades was for work that was chargeable. Mrs W said the engineer shouldn't have done that and this could have been resolved earlier. Later in the call, Mrs W said she didn't want British Gas now to say the issue was pre-existing so she had to pay. The call handler said she would set up a new policy and would honour the repair because the records showed Mrs W had cover in place when she first reported the problem.

British Gas later told Mrs W it wouldn't carry out work on the pipes under the policy because it was a pre-existing issue. So, I've thought about this. During the phone call, from what I heard, the discussion about the issue being pre-existing related to the original policy having expired and there now not being any cover in place. Mrs W said the engineer told her this was why the work was an upgrade, which meant it was chargeable. So, it was in this context that the call handler said British Gas would honour the repair, which was because the problem had been reported before the original policy expired. I'm aware Mrs W phoned British Gas before the next engineer was due to visit and the call handler confirmed the repair would be honoured, but she said this based on the call notes from the previous call and was confirming what had previously been discussed.

When British Gas later said the issue was pre-existing and therefore chargeable, this was in a different context. It wasn't saying the issue was chargeable because it happened after the original policy expired. It was because the issue pre-dated any involvement by British Gas and went back to when the pipes were originally installed, which I understand was about 20 years ago. The policy didn't cover faults or design faults that existed when a consumer first took out the product. The issue with the pipework existed before the policy was first taken out in January 2022.

I'm aware that during the phone call Mrs W also said British Gas had fitted the pump that became faulty, which meant it fitted it to the pipework that was later found to be the wrong way around. When Mrs W complained, British Gas checked its records and couldn't find evidence she had a HomeCare policy before January 2022 or evidence it had fitted the pump. I also asked Mrs W if she could provide evidence that British Gas had fitted the pump, but she was unable to do so. So, based on what I've currently seen, I don't think there's evidence to show British Gas fitted the pump and I haven't considered any further issues around that. The issue with the pipework predated any involvement by British Gas so it wasn't covered by the policy. I think it was reasonable for British Gas to say any work was therefore an upgrade and chargeable.

I've also thought about what Mrs W said she was told by the engineer, which was that it was an upgrade because the policy had expired. British Gas' records of the visit are brief. They recorded that Mrs W had been advised an upgrade was required which had been declined and that the flow and reverse were around the wrong way. So, I think the engineer said an upgrade was required. I can't say for certain whether he said this was because the policy had expired and that was the only reason he gave. But, even if that was what happened, I don't think this meant British Gas was required to deal with the pipes under the policy. When British Gas reviewed the full circumstances of what had happened, including whether it had fitted the original pump, it identified that the pipes weren't something covered by the policy and advised Mrs W of this.

Mrs W was also concerned by the number of engineers who visited, including the wrong type of engineer, and that even when the pipes were found to be the issue, it was because Mrs W had suggested this. I can understand Mrs W might have expected the issue to be found sooner and for it to send appropriate engineers. However, I think the £60 British Gas offered was reasonable in the circumstances to address the service issues.

I've also thought about the wider circumstances of this complaint and whether any additional compensation is required. I currently think the amount British Gas offered was sufficient to cover any loss of expectation around British Gas fixing the pipework free of charge, as I think when it confirmed it would do this, it did so based on the information available at the time. But when this was looked into further and the full circumstances were investigated, it was found there wasn't cover under the policy.

As a result, I currently intend to require British Gas to pay the £60 it previously offered Mrs W because it's my understanding that it didn't pay the money as Mrs W declined it. If British Gas has already paid this, I don't intend to require it to do anything further in relation to this complaint.

I asked both parties to send me any more information or evidence they wanted me to look at by 30 November 2023.

British Gas said it didn't have any further evidence or comments.

Mrs W replied and, in summary, said:

- My decision seemed to be based around it being a pre-existing issue that was excluded under the original cover.
- She now understood the pre-existing plumbing work wasn't part of the original cover.
- Initially, she wasn't aware of the pre-existing problem and relied on the expertise of British Gas engineers. She described previous work British Gas had carried out and that it hadn't picked up on the issue with the pipework at that time.
- In January 2023, the problem continued to be misdiagnosed on several occasions and the engineer's poor workmanship, by reversing the pump and over-riding the boiler alert code, caused hot water to flood out in her loft and caused a bigger problem by doing so.
- The engineers failed to diagnose the problem and carried out several failed repairs before concluding the pipes were the wrong way round and that it was a pre-existing problem.
- In my provisional decision, I referred to this. In the call recording, it was described as a misdiagnosis and that was why it was logged as a non-chargeable repair/ recall. Mrs W also thought British Gas had mentioned poor workmanship/ service.
- She had researched consumer law, including where services weren't supplied within a reasonable time, at a reasonable charge or to a reasonable standard. She asked why her claim didn't fall within this.

Mrs W also provided recordings of two phone calls she had with British Gas.

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.

Having done so, I remain of the view that British Gas' response to the claim and complaint was reasonable. As part of this, I've considered the points Mrs W raised in response to my provisional decision.

I don't think it's in dispute that British Gas didn't identify the issue with the pump during its earlier visits. Mrs W spoke to British Gas and explained what had happened. She said an engineer had told her the required work was an upgrade because she was out of contract. British Gas' call handler accepted what Mrs W said and explained what would happen, which was that British Gas would honour the work. This was because the records showed she had cover in place when she first reported the problem. During that call, any discussion of a misdiagnosis was in the context of there being cover in place for the issue identified.

But Mrs W didn't have cover in place for the issues with the pipes and the pump. The policy didn't cover pre-existing issues. So, even if the issue with the pump had been found before the policy expired in January 2023, it still wouldn't have been covered. However, it was only when British Gas was able to investigate the full details of the claim that it became clear the issue wasn't one the policy covered.

Mrs W has also referred to rights under consumer law, which she summarised as:

"In the case of services which are supplied to [a] consumer but not within a reasonable time, at a reasonable charge, or to a reasonable standard, consumers have the options of:

- *The right to have the services repeated;*
- *The right to a price reduction.*

Businesses cannot exclude their liability for breach of the requirements for goods and services to be of satisfactory quality, or fit for purpose; that they match a sample or model shown; or for correct installation of goods. Any businesses attempting to avoid their liability cannot do so in law."

British Gas was required to provide a service as described in its terms and conditions. It sent several engineers to try and diagnose the issue. So, it did "repeat" the service. When it identified that the issues with the pipework and pump predated any involvement by British Gas, this meant there wasn't a service available under the policy. British Gas wasn't required to provide a service that wasn't described in its terms and conditions. The terms and conditions specifically excluded pre-existing issues.

I'm aware British Gas could have potentially diagnosed the issue earlier. Although, ideally, any claim will require only one engineer visit, it isn't uncommon for engineers to have to visit more than once to make a correct diagnosis. I think it's reasonable to expect an engineer to look for the most likely causes first. I also wouldn't expect an engineer to search for every possible cause where they think they have identified what the problem is. It's my understanding that this was an unusual issue and not one an engineer would normally expect to find.

British Gas also offered compensation for the issues it identified with its service. I remain of the view that the compensation offered by British Gas was reasonable in the circumstances to address the service issues. As Mrs W originally declined the compensation and I haven't received confirmation it was paid, I require British Gas to pay the £60 compensation it previously offered.

Mrs W also provided a call recording between her and British Gas about water running down her walls following an engineer's visit. I listened to the call, but I didn't see evidence this was part of the complaint made to British Gas at the time. So, I'm unable to comment on it.

Putting things right

British Gas should pay Mrs W the £60 compensation it previously offered.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that I require British Gas Insurance Limited to pay Mrs W the £60 compensation it previously offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 29 December 2023.

Louise O'Sullivan
Ombudsman