

Complaint

Mr S complains that British Gas Services Limited collected a premium from his bank account in error.

Background

Mr S held a Home Care plan with British Gas. Shortly before the plan was due to renew, Mr S called British Gas and let it know he wanted to cancel it.

Unfortunately, British Gas was unable to action Mr S's request that day, and so the renewal premium of £578.87 was collected from Mr S's bank account in error. Mr S complained about this.

British Gas apologised for its error. It refunded Mr S the premium it had collected, and also paid him £50 compensation. Unhappy with this, Mr S brought a complaint to this service. He said that because British Gas had collected the renewal premium from him, this meant he couldn't book a holiday as he'd intended, and he had to borrow money from friends in order to buy food.

Our investigator didn't recommend the complaint be upheld. He thought the compensation paid by British Gas was fair, as Mr S hadn't provided any evidence to support that he'd experienced a financial loss as a result of the error.

Mr S didn't accept our investigator's findings, and so the matter has been passed to me to consider.

My findings

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

It's not in dispute that British Gas made an error here. In such cases, we'd expect a financial business to place a consumer back in the position they would have been in (as far as possible) if the error hadn't occurred.

In Mr S's case, British Gas had collected £578.87 from Mr S's bank account when it shouldn't have. Once it learnt of its error, it returned this money to Mr S. I'm therefore satisfied that British Gas has placed Mr S back in the position he would have been, if the error hadn't been made.

I therefore need to consider whether the compensation British Gas has paid is reasonable.

Mr S noticed the premium had been collected on 8 August, and let British Gas know about this the same day. I see that the following day, British Gas advised Mr S that he could claim back the money from his bank under the Direct Debit Guarantee. Mr S chose not to do this, and so British Gas refunded the money to him. However, as an active direct debit was no

longer in place, the money had to be refunded by cheque instead of being paid directly into Mr S's bank account.

Although British Gas did make Mr S aware of his right to claim the money back immediately under the Direct Debit Guarantee, he opted for British Gas to provide the refund. However, I understand British Gas had led Mr S to think that the money would be returned directly to his bank account. I would therefore assume Mr S didn't claim the money back through the Direct Debit Guarantee as he thought he'd receive the money from British Gas within a few days. Unfortunately, that wasn't the case and the refund was delayed as it was sent to Mr S by cheque.

As Mr S was without use of the money for a few weeks, I think it was reasonable for British Gas to pay him £50 compensation.

Mr S thinks further compensation should be paid. He says that because of British Gas's actions, he didn't have the funds available to book a holiday as he'd intended. He also says he had to borrow money from friends to pay for food.

If Mr S were able to evidence that the collection of the premium from his bank account left him with no money to buy food, then I may have required British Gas to increase its compensation. However, I haven't seen any evidence of this, so I can't reasonably require British Gas to increase the compensation.

Mr S also says his family were booking a holiday, and he'd intended to book the same trip. He says he wasn't able to do so because British Gas took the money from his account. Then by the time British Gas had returned the money, the holiday was sold out.

Again, Mr S hasn't provided any evidence of this. I therefore can't reasonably find that he missed out on a family holiday as a result of British Gas's actions.

I therefore don't require British Gas to do anything further.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 April 2020.

Chantelle Hurn-Ryan
Ombudsman