

The complaint

Mr B complains, for and on behalf of the estate of Mrs B, that Mrs B was paying for a policy with British Gas Services Limited (British Gas) that she didn't ever need or use.

What happened

Mrs B had a homecare plan with British Gas. She paid a monthly premium by direct debit. Under the homecare plan, British Gas covered her boiler and central heating system for repairs/breakdowns etc. This cover also included an annual service for her boiler and repairs to plumbing, drains and home electrics.

Mrs B passed away in June 2019. Shortly after this, her son, Mr B, discovered the homecare policy and complained to British Gas about it. He didn't think that Mrs B had been aware she had this policy or had any need for it.

British Gas considered the complaint and refunded the annual premium for the most recent policy year as a gesture of goodwill, which came to just over £460. However, they didn't think they had done anything wrong. They explained that they had sent annual policy renewal notification letters each year to Mrs B as well as a few letters inviting her to book the annual service included with the policy.

Mr B wasn't happy with this response. He explained that Mrs B's mental health meant she won't have been aware of this policy or read any letters that were sent because she often missed post and was partially sighted. He maintained that Mrs B had no use for the policy as she didn't use her central heating. He didn't think it was fair that the policy auto-renewed each year despite there never being any contact from the policy holder. So, Mr B referred the matter to our service for an independent review.

Our investigator thought British Gas had acted fairly overall. He said that they hadn't been made aware of Mrs B's health issues and had sent annual reminders in line with the policy conditions.

Mr B, on behalf of the estate of Mrs B, didn't accept the investigator's recommendation. He remained of the opinion that British Gas had acted unfairly. He said that his mother was unable to read any letters and had never claimed or used the policy. He also said that British Gas would not have accepted a claim as the boiler had not been maintained through servicing. This comment didn't change our investigators mind – he explained that he didn't know if a claim would have been rejected and that the policy could have been of benefit to her.

As an agreement couldn't be reached, so the complaint has been passed to me to decide.

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.

Firstly, I'd like to say that this must have been a difficult time for Mr B and his family and I'm sorry for the time it has taken for this matter to reach a decision. My role here, however, is to give an impartial view on this complaint. I must therefore tell Mr B that I've reached the same conclusion as our investigator and so won't be asking British Gas to do more to resolve this complaint. I'll explain why.

Mr B is unhappy that his mother was paying what he considers to be a significant annual premium for a service that she didn't need. He says she hadn't used her central heating system at home for around 6-7 years and so had no need to cover it. Whilst I appreciate that this might have been the case, this policy had a number of features that Mrs B could have had the benefit of. As well as providing cover for her boiler and central heating, it also protected her plumbing, drains and home electricals like kitchen appliances. Whilst I understand she never used it or the annual service option it provided, she could have made a claim at any time and benefitted from the policy. Many people have insurance and hope never to use it – they buy it for peace of mind knowing they are covered if it's needed. So, the fact that, looking back, she'd never made a claim on it wouldn't be a sufficient for me to now say the policy premiums should be refunded.

Although we can't be sure what happened at the time the policy was taken out, I am satisfied that it is more likely that the policy was sold on a non-advised basis. This is due to my experience of these types of policy. This means that all British Gas had to do, was ensure she had enough information to decide if the plan was right for her. I understand that it appears Mrs B never claimed on the policy or took full use of what it offered. And due to the time that has passed, I can't be sure what she was given or made aware of when she took it out. However, I would think that it's more likely she was given a policy booklet which explained the features, as later examples we have been provided with do. These features were also explained briefly in the annual letters. So, there is not enough for me to conclude that this was mis-sold to Mrs B.

Mr B has also raised a concern that as Mrs B was not having her boiler serviced each year, she wouldn't have been able to successfully claim if anything had gone wrong to them. Whilst this may have been the case, we won't know for sure. It wouldn't be fair to ask British Gas to refund premiums because Mrs B might not have maintained her boiler and so they may have declined a claim under the policy. The policy also provided cover for plumbings, controls and electricals and so had other benefits.

I am sorry to hear that Mrs B was struggling with her mental health. I understand the impact that this might have had on her and that she may not have known what the policy covered her for or even if she had one in place. I would expect British Gas to treat Mrs B fairly in light of this. However, I haven't seen anything to suggest that they were aware of her situation. Although it appears Mrs B never claimed on the policy or corresponded with British Gas in recent years, I don't think this is enough to have flagged to them that there was an issue with her mental wellbeing and that they needed to contact Mrs B or act differently.

Mr B is also unhappy that the plan continued to auto-renew each year. British Gas hasn't been able to provide me with anything from the point it was sold to Mrs B, which is understandable given the time that has passed. However, whilst I don't have a copy of the

exact policy document, I do have a later one that British Gas can provide. It states that the policy would automatically renew each year until they are told to stop. British Gas has also explained that they did send Mrs B at least two letters each year that the policy was in place. One was to explain that the policy would renew and one was an invitation for the annual service. I am satisfied that the policy renewed in line with the policy conditions and that British Gas did enough to let Mrs B know that this was happening and reminded her of one of the benefits she had under the policy of an annual service.

Taking into account what I've said, I haven't seen anything which would allow me to say it's more likely British Gas did something wrong when they sold and renewed the policy for Mrs B in this matter. I note that they have already refunded the last year's premium to the estate and this is more than I would've asked them to do. As such, I won't be asking British Gas to do anything further.

I know Mr B will be disappointed with this outcome. But my decision brings to an end what we – in trying to resolve his dispute with British Gas – can do for him.

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 B, on behalf of the estate of Mrs B, to accept or reject my decision before 29 December 2020.

Yoni Smith
Ombudsman