

The complaint

Mr P complains that British Gas Insurance Limited (“British Gas”) has tried to unfairly settle a claim he made under his HomeCare policy, alongside providing poor service.

What happened

In July 2019, Mr P’s fridge freezer broke down. So he contacted British Gas under his HomeCare agreement to have it repaired.

Mr P was initially told there were no available appointments for over a week. But after he explained that he used his fridge to store his medication, British Gas arranged for an engineer to attend a few days later and replacement parts were ordered. A repair attempt was made but this was unsuccessful.

Following this, Mr P says further appointments were scheduled but missed. As the fridge wasn't working Mr P bought a mini fridge to use in the meantime.

Mr P’s fridge freezer was later deemed beyond repair. So British Gas offered to pay 30% of the cost of a replacement fridge in line with the policy terms. As the original appliance was no longer being sold, it offered a settlement of £668.02 based on the cost of similar replacements it had sourced.

Mr P disagreed and said British Gas based its offer on the value of a free-standing fridge freezer when he had an integrated appliance. British Gas said whilst Mr P had attached wooden panels to the doors of the appliance, it was a still free-standing fridge freezer. So it was satisfied its offer was fair.

British Gas then offered to pay £89 towards the cost of the mini fridge as a gesture of goodwill. And it paid a further £95 that Mr P had incurred for a third party to inspect the appliance. Mr P then brought his complaint to our service.

Our investigator agreed that Mr P had received poor customer service as he’d experienced delays and missed appointments. Whilst she acknowledged the gesture of goodwill already made, she recommended that British Gas pay an additional £50 to compensate Mr P for his trouble and upset.

But the investigator was satisfied that British Gas had found suitable replacement fridge freezers which were a reasonable match as the original wasn't integrated, saying it didn't have the characteristics of an integrated appliance as it didn't sit within a cupboard or kitchen unit nor was it concealed.

British Gas accepted our investigator’s view. But Mr P didn't, disagreeing with her definition of “*integrated*” and saying the replacements he’d been offered were not a like for like as they

weren't able to incorporate doors that would match his kitchen. So the complaint has been passed to me for a final decision.

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'm upholding this complaint. I'll explain why.

Mr P holds a HomeCare agreement with British Gas which covers all repairs to the kitchen appliances named in his policy schedule — including his fridge freezer. The policy says if a repair isn't possible, British Gas will source a replacement from an approved supplier and make a contribution of 30% based on the current retail selling price. It further says that the contribution can be used towards an alternative model of Mr P's choice as long as it's from an approved supplier, there is no cash alternative.

Under the policy definition of “*replacement*” it says “*in the case of Kitchen Appliance Cover we'll provide a contribution towards a replacement appliance with similar functionality from our approved supplier*”.

I appreciate that much of this dispute relates to whether or not Mr P's original fridge freezer was free-standing or integrated. I'm not persuaded, based on the photos I've seen, that it was integrated. This is because it has the characteristics of a free-standing appliance, but with the customised feature of wooden panel doors that Mr P had arranged to be added.

But in any case, under the terms of his policy, Mr P is entitled to a replacement appliance of *similar* functionality. I would expect this to take into account things like the energy rating of the fridge, the size, and features relating to the functioning of the appliance. In this particular case I'm not persuaded this similar functionality extends to the ability to add panels to it. So I won't be asking British Gas to increase its offer. However, I would highlight that Mr P has the option to choose an alternative model from the approved suppliers if he wants to pay any additional costs himself.

It's clear to me British Gas didn't offer the best service to Mr P when handling this claim. From what I've seen engineers failed to turn up to a number of occasions and I imagine this would be frustrating. So I've thought about what British Gas has done since recognising its mistakes. It covered the cost of a third party visit. And it made a contribution towards Mr P's mini fridge, which isn't something covered by the policy, in an attempt to put things right and I think this was a positive step on its part.

However, it's possible Mr P wouldn't have needed to buy a mini fridge at all had the claim been dealt with promptly. So overall I don't think this contribution towards a financial loss goes far enough to resolve the complaint. For that reason, I'm directing British Gas to pay an additional £50 compensation for the trouble and upset caused.

My final decision

My final decision is that I uphold the complaint and direct British Gas Insurance Limited to pay Mr P compensation of £50, in addition to the offer it's already made.

British Gas Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr P 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 P to accept or reject my decision before 28 May 2020.

Jack Baldry
Ombudsman