

## **The complaint**

Mr S is unhappy that British Gas Services Limited (BG) changed his communication preferences, leading to threats of debt collection after he missed its payment requests.

## **What happened**

Mr S had Homecare with Central Heating cover with BG. He made a claim under his policy which had a £50 excess. Although BG usually takes payment of the excess when a callout is requested, on this occasion it didn't.

Mr S paid his premiums by Direct Debit as usual but two months later, while on holiday, he received a payment demand by text message. He immediately paid the £50 excess.

On his arrival home, Mr S found that BG had sent him a payment demand before it sent him the text. The letter said that the outstanding amount would be passed for debt collection if not paid within seven days. Mr S contacted BG and found out that it had sent him an invoice and chaser by email before sending the letter, followed by the text.

Mr S complained that the process was flawed and should be changed. He said that if BG had sent him the invoice by post in the first place, he would've paid immediately. BG looked into his complaint but didn't think it had done anything wrong. It told Mr S that he had an online, paperless account so sending the invoice and payment reminder by email was reasonable. He disagreed, saying that he'd never asked for an online account.

Our investigator upheld the complaint. Although she initially thought that BG hadn't done anything wrong, Mr S disagreed. He provided further evidence showing that the email BG sent to him about an online account was for his gas supply. Mr S also provided emails from BG showing that he hadn't accepted an online account. So, our investigator thought that BG's failure to use Mr S's preferred method of contact had caused him inconvenience and upset, which warranted £100 compensation.

BG disagreed because it thought the amount was excessive and offered £50. Mr S declined its offer.

The complaint was 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.

I've decided to uphold the complaint for broadly the same reasons as our investigator. I'll explain.

I understand that Mr S would like BG to change its process for debt collection and I'm aware that our service has already explained that it's not something we can require. However, I don't think it's a flawed process which caused this complaint. BG requested payment by

sending two emails, one letter and a text in that order. I think four requests by three different methods over one month is a reasonable process, and I don't necessarily think Mr S would disagree with that. The first two requests - the invoice and the reminder – were sent by email. His preferred method of contact was letter. BG's third contact was by letter, but the timing was unfortunate, and it arrived at Mr S's home while he was away on holiday. But Mr S's point is that if BG had used his preferred method of contact from the start, he would've received the invoice and paid it immediately.

I can't agree with Mr S that the process itself is flawed – the process BG followed seems reasonable for someone with a paperless preference. But Mr S preferred contact by letter, so I don't think it was a reasonable process to follow here.

That brings me to the next point, which is why BG communicated with Mr S using paperless methods. I can see that BG provided evidence that it had Mr S's account set as online. However, Mr S has provided several emails from BG dating back as far as 2010 which show that he repeatedly ignored requests to move to an online account. The final email says that as he didn't activate an online account, BG would continue to communicate by post. This evidence persuades me that he didn't want, or think he had, an online account, so BG should've contacted him by letter.

BG says Mr S received annual policy renewal emails. I accept that point. However, having his communication preference set as letter doesn't mean Mr S would refuse to open emails. I think it's fair to say it just means he wouldn't necessarily see the emails promptly, or place as much importance on them as he would for letters. He found the two unread emails after seeing the demand letter and after he had already paid the excess on receipt of the text message. So Mr S isn't saying he didn't receive the emails – he's just saying he wouldn't have been looking out for them.

Mr S was concerned about the impact this matter would've had on his credit file. BG confirmed that it didn't send any information to external organisations, so the delayed payment isn't documented on his credit file. BG also said it has returned his communication preference to letter.

In summary, I think BG followed a reasonable process for an online account, but it failed to make sure that Mr S's communication preferences were set up correctly. Because of this, the payment demand and debt collection process used here was applied incorrectly. Mr S was concerned about the impact on his credit file and I can understand that, even though BG later confirmed that it didn't refer the matter externally for debt collection.

For the reasons I've given, I think Mr S would've experienced unnecessary worry and upset throughout this matter. So I think it's appropriate for BG to pay compensation. BG offered £50 after our initial investigation, but I think £100 is fair in the circumstances. I'll be asking BG to pay £100 in recognition of its failure to maintain communication preferences on Mr S's account properly, leading to unnecessary worry about payment demands which could've been avoided.

### **My final decision**

For the reasons given above, my final decision is that British Gas Services Limited should pay Mr S £100 compensation in recognition of the unnecessary worry and upset caused by its failure to maintain accurate communication preferences on Mr S's account, leading to payment demands which could've been avoided.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 September 2020.

Debra Vaughan  
**Ombudsman**