

The complaint

Mr W and Mrs W are unhappy that British Gas Insurance Limited didn't carry out an annual boiler service every 12 months as part of their home emergency policy.

What happened

Mr W and Mrs W complained to British Gas that, over a number of years, it hadn't carried out an annual boiler service every 12 months as part of their HomeCare policy. British Gas replied and said that boiler services could take place more than 12 months apart as they were carried out once every contractual year, not every calendar year. British Gas checked its records and said that it had met this requirement every year except one. In that one instance, the premium for that year had already been refunded as part of a previous complaint about the annual service being missed. As the current policy year had not yet ended, British Gas said it still had until the end of that policy year to complete the work.

Mr W and Mrs W complained to this service. Our investigator didn't uphold the complaint. He said that British Gas had dealt with the complaint fairly and in line with the policy terms and conditions.

As Mr W and Mrs W did not agree, the complaint has been referred to me.

I issued my provisional decision on 21 July 2020. In my provisional decision, I explained the reasons why I was planning to partially uphold the complaint. I said:

"I'm aware that Mr W and Mrs W's main issue is that they think that as the homecare policy includes an annual service that this means it should take place every 12 months. They have said that as this has not been the case – with the services, on average, taking place 16 months apart – that they were not receiving the service that they had paid for.

British Gas provided me with copies of the HomeCare policy booklets covering a range of years, the earliest being 2011 – which was around the time that Mr W and Mrs W's first service was due to take place. I checked each policy booklet provided for its definition of an annual service. The wording in each booklet isn't identical but typically said something similar to this in the 2011 policy booklet:

"Annual Service: for Agreements that include an Annual Service, means a visit we undertake in each Period of Agreement to check the elements included in your Agreement are safe and in good working order."

The policy booklet also describes what it meant by a period of agreement:

"Period of Agreement: means the length of your Agreement shown on your Statement. Your Agreement begins on the date your application is accepted and normally runs for 12 months."

On that basis, I am satisfied that British Gas explained what it meant by an annual service and that these would take place once in each period of agreement, rather than at 12-month

intervals. Whilst I accept that this doesn't meet Mr W and Mrs W's definition of an annual service, in my view British Gas has fulfilled its obligation in line with the terms and conditions of the policy by carrying out a service within each period of agreement.

Having said that, I'm aware that the 2017 policy booklet said an annual service was "*a check each year to ensure your gas boiler, appliance or central heating is safe and working properly*". However, I note that Mr W and Mrs W's boiler wasn't serviced within that period and, when they complained about this, British Gas paid them £60 as a gesture of goodwill. I am therefore satisfied that any issues with the timing of that service have already been addressed as part of a previous complaint to British Gas and, given that complaint was submitted in 2017, that it is outside of our jurisdiction. So I am unable to consider this point any further.

British Gas also provided each of the dates on which a service took place. Mr W and Mrs W's period of agreement ran from October each year, but these dates provided by British Gas didn't include a service between October 2013 and October 2014. I asked British Gas about this and it said that it would have issued up to three reminders inviting Mr W and Mrs W to book their annual service, but that it didn't receive a reply. However, due to the time elapsed and that British Gas had changed systems, it was unable to provide the details and dates of the letters.

I've thought about this carefully. Given that British Gas can't provide evidence of the letters going out, I'm not clear how it can be so certain that it contacted Mr W and Mrs W so that they could book a service. However, regardless of this British Gas hasn't provided any evidence that it carried out a service in the period of agreement starting in October 2013 and appears to accept that it didn't. This contradicts what it said in its response to Mr W and Mrs W's complaint, which was that it had missed one annual service - in the period starting in October 2016. So, I think it provided inaccurate information in its letter to Mr W and Mrs W and failed to acknowledge that it had actually missed a second service.

Having thought about all of the above, I'm currently of the view that British Gas fulfilled its obligation to carry out an annual service by doing so once per period of agreement. This is because that is what it said it would do in the policy terms and conditions. However, I think that it failed to carry out a service in the period of agreement from October 2013 and that it provided incorrect information when it responded to Mr W and Mrs W's complaint about the frequency of the services. On that basis, I am currently minded to require British Gas to refund the cost of the annual service that should have taken place in the period October 2013 to October 2014 and to pay £50 compensation for the distress and inconvenience of it providing inaccurate information about the boiler services being carried out."

I asked both parties to send me any more information or evidence they wanted me to look at by 20 August 2020. Both parties replied before that date.

Mr W and Mrs W provided a range of comments and remained of the view that the annual service should take place in each 12 month period.

British Gas accepted the 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 remain of the view that this complaint is partially upheld for the reasons I previously gave.

I've read and considered all of Mr W and Mrs W's comments, even if I don't address each point here. Mr W and Mrs W said that they remained of the view that an annual service should take place within a 12-month period. Although, I can understand why they hold this view, having reviewed the terms and conditions contained in several years' policy booklets and any variations in these, I remain of the view that British Gas defined what an annual service was and in what time frame it would take place. On that basis, I think British Gas explained what it meant by an annual service and did what it said it would do – with the exception of the two years that were highlighted in my provisional decision.

Mr W and Mrs W also said that they didn't think the money British Gas paid to them previously was for the missed annual service in the October 2016 - October 2017 period and said it was speculation on my part to say that this was the case. However, as part of making my provisional decision I asked British Gas to provide evidence of why it had paid Mr W and Mrs W the money. On the basis of that, I was, and remain, satisfied that the payment was made in relation to the missed annual service in that period and that, as previously explained, it is outside of the jurisdiction of this service to now look at that issue.

Putting things right

British Gas must refund the cost of the annual service that should have taken place in the period October 2013 to October 2014 and pay £50 compensation for the distress and inconvenience of it providing inaccurate information about the boiler services being carried out.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that the complaint is partially upheld against British Gas Insurance Limited because it didn't carry out an annual service in the period specified above. However, I don't uphold the rest of the complaint. As a result, I require British Gas Insurance Limited to:

- Refund Mr W and Mrs W the cost of the annual service that should have taken place in the period from October 2013.
- Pay interest on that premium at a rate of 8% simple a year* from the date that Mr W and Mrs W paid it to the date on which it is refunded.
- Pay £50 compensation for the distress and inconvenience caused.
- British Gas Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr W and Mrs W accept 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.

*If British Gas Insurance Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr W and Mrs W how much it's taken off. It should also give Mr W and Mrs W a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 14 September 2020.

Louise O'Sullivan
Ombudsman