

The complaint

Mr S complains that British Gas Insurance Limited didn't carry out an annual service as part of his home care policy with it.

What happened

Mr S had a home care policy with British Gas. The policy ran for a year beginning March 2019. The policy included an annual service of Mr S' boiler.

In March 2020 Mr S contacted British Gas to find out when the service would take place. It told him that its engineers were busy and unable to attend that month. It arranged the service for the beginning of April.

However shortly after this the UK Government imposed restrictions on people visiting other households due to the Covid-19 pandemic. British Gas contacted Mr S to explain that due to these restrictions it was prioritising vulnerable customers and wouldn't be able to fulfil the service at that time.

Mr S complained to British Gas. He said that he was elderly and had a medical condition so should be considered vulnerable. And he said British Gas had left him open to a failure of his boiler by not carrying out an annual service. He asked it to refund the premiums he had paid for the year's policy. And he said he no longer wished to continue with the new policy that had renewed in March 2020.

British Gas responded to Mr S' complaint. It confirmed it had cancelled his new policy and would refund the money he had paid for the policy premiums so far. It also said that as it hadn't been able to carry out an annual service it would refund Mr S £65, as this is the cost of the service. However it said it wouldn't refund the premiums for the year as the policy provided cover above just an annual service.

Mr S wasn't happy with this, as he thought British Gas should agree to refund at least £200 in total. He brought his complaint to this service.

Our investigator considered all the issues but didn't recommend the complaint be upheld. He said that the terms and conditions of the policy say that the annual service may not be completed within 12 months. And it made allowances for times of increased public demand. So he thought British Gas had acted fairly and reasonably by just refunding the cost of the service.

Mr S didn't agree and asked for his complaint to be reviewed by an ombudsman.

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.

Mr S is unhappy because British Gas were unable to carry out an annual service during his policy year that ran from March 2019-2020. He says they put him at risk of having no hot water if his boiler broke.

When considering a complaint like this I need to consider what British Gas is required to do under the terms and condition of the policy. Whether it fulfilled these requirements on a fair and reasonable basis and where it hasn't, whether it has done enough to put things right.

From the documentation provided, I can see that Mr S' home care policy included an annual service. And I can see this wasn't carried out during the policy year. However the terms and conditions of the policy state as follows:

'Your annual service may be more than 12 months after your last service visit.'

So although an annual service is included in the policy, it doesn't guarantee that this will take place within 12 months of the last one.

When Mr S contacted British Gas in March 2020 it explained that its engineers were busy and the first available appointment would be on 7 April. This appointment was confirmed at the time.

I appreciate that this appointment was already outside the policy year. However British Gas explained this was its first available appointment at the time. And as the policy terms allow for services being more than 12 months apart it think this was reasonable in the circumstances.

However before the date of the appointment, the UK government introduced lockdown restrictions due to the Covid-19 pandemic. And subsequently British Gas said it wouldn't be able to attend Mr S' appointment at the start of April. It said due to the restrictions it was only prioritising emergency call outs and vulnerable customers.

At the time of the original scheduled appointment, the government guidance was that contact with other households should be avoided. So I can understand why British Gas made the decision to limit its services to only emergencies, in order to ensure it was following government guidance.

Further, the terms and conditions of the policy go on to say:

'In periods of local or national high demand for our services (such as cold weather), we prioritise breakdowns and may need to rearrange your annual service.'

In this circumstance, although demand may not have been higher, what British Gas were able to do was reduced. So I think it was reasonable that it prioritised breakdowns and emergency call outs.

Mr S has explained that he is elderly and has a medical condition, so felt he would be categorised as vulnerable and therefore prioritised. I sympathise with Mr S and appreciate why he would have been concerned about having his boiler serviced. However in this instance British Gas were considering the service itself and whether that was priority. Although annual services are important, they are required for maintenance, to try and ensure a problem doesn't develop. As British Gas had to reduce its services in order to follow Government guidance, it prioritised call outs where a problem had already developed and was having an impact of the policy holder. For example where a boiler had broken and the customer had no hot water.

So although I do appreciate Mr S would have been worried about the possibility of his boiler breaking if it didn't have a service, I don't think it was unreasonable for British Gas to prioritise other kinds of appointment at that time.

Further British Gas said it would carry out the service once restrictions were lifted. So it would have still provided the service once it was safe to do so.

Mr S has said that as the service wasn't provided he should receive a refund for the relevant policy year. I understand why he feels this way, as he didn't receive all the features of the policy that he expected. British Gas has offered a refund of £65 which its shown covers the cost of the annual service. And it has cancelled Mr S' newly renewed policy and refunded the money paid for that.

Although Mr S didn't receive one of the features of the policy, it provided for other things as well, such as emergency call outs. As he had the policy for the full policy year he had the benefit of that cover for that time. So I think British Gas has acted fairly and reasonably by offering a £65 refund for the part of the policy cover Mr S didn't receive. And, as Mr S decided to cancel his policy that renewed for the next policy year, I think it's fair that British Gas has offered a refund of the premiums paid towards the new policy as a gesture of goodwill.

For these reasons I am satisfied that British Gas have treated Mr S fairly and reasonably and I won't ask it to do anything further.

My final decision

For the reasons I've given, I don't require British Gas Insurance Limited to do anything differently.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 November 2020.

Sophie Goodyear
Ombudsman