

The complaint

Mr and Mrs F are unhappy that British Gas Insurance Limited (BG) has breached the terms of the contract regarding their home emergency policy.

It should be noted that the insurer in this complaint is British Gas Insurance Limited, who is the business who underwrite this policy.

What happened

In November 2019 BG wrote to Mr and Mrs F reminding them to book for an annual service. When they attempted to book online, the earliest available appointment was in January 2020. Which would've meant that there had been around 17 months since the previous boiler service. Mr and Mrs F felt that this constituted a breach of the terms of the policy as BG ought to have carried out the annual service within 12 months from any previous service.

Mr and Mrs F said that this wasn't the first time the BG had breached the terms of the policy and delayed in carrying out the annual service. So they sought compensation from BG of the full cost of the policy - £298.70. As they felt this would take into account the breach of the policy terms and that this hadn't been the first time Mr and Mrs F had to complain about this issue.

BG didn't accept that it was in breach of contract but ultimately offered £65.00 compensation for the trouble and upset it caused due to it being late in providing the annual service. Mr and Mrs F said that BG had breached the contract. And although they didn't accept that the level of compensation was enough, cashed the cheque that BG issued and referred their complaint to this service.

Our investigator didn't uphold their complaint. He said that:

- BG didn't breach the terms of the policy and if there was further evidence that Mr and Mrs F had relied upon to show that there had been a breach, then they ought to provide it.
- The terms and conditions of the policy allowed for annual services to go beyond the 12 months duration of the current policy.
- The compensation offered for the trouble and upset was fair and there was nothing further that he could reasonably ask BG to do.

Mr and Mrs F didn't agree with our investigator and said that it was unreasonable for him to ask for further evidence, when evidence had been supplied. They accepted that there was a clause permitting BG to carry out annual services more than 12 months apart. But they believed that this didn't negate its contractual obligation to carry out an annual service within the 12 months contractual period. So they asked for a decision from 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.

Having done so, I won't be upholding this complaint. I understand that this isn't the outcome that Mr and Mrs F would've liked but I will explain why I've reached this decision.

Mr and Mrs F said that BG were in breach of the terms of the contract as they were unable to book an annual service before the renewal date of the current contract with BG. The first date that was available would've meant that there had been around 17 months between the two services.

BG has said that it couldn't provide an annual service within the 12-month period due to engineer availability. Having reviewed the terms and conditions of the policy, I don't agree that BG were in breach of those terms and I'll explain why.

The terms and conditions required BG to contact policy holders to invite them to book for annual services, which is what happened here and isn't in dispute. The main issue is whether BG had a contractual obligation to ensure that the service was conducted within 12 months of a previous service. The specific term provides:

'Your annual service may be more, or less, than 12 months after the last service visit'

In addition, I think the policy schedule also reinforces this term by stating:

'What is insured: annual service of your boiler. Your annual service maybe more than 12 months apart.'

Whilst I can understand the frustration that Mr and Mrs F felt at not being able to secure an appointment within the 12-month period, I am satisfied that the clauses allowed BG to conduct annual services that fell outside the 12-month period.

I note that Mr and Mrs F's policy ran from January to January. The previous service took place in August 2018. Unfortunately, there is no further evidence as to why Mr and Mrs F chose not to book an appointment (which under the terms and conditions they were required to do) before or in August 2019, so that the service could be completed within 12 months from the previous service.

In addition, I think the policy makes it clear that during colder months of the year engineer availability might make it difficult to secure an annual service within the 12-month period. It also didn't prevent Mr and Mrs F from booking an annual service irrespective of whether BG invited them to do so or not. Consequently, I am satisfied that BG hadn't breached the terms and conditions of the policy.

I have next considered whether BG's offer of £65.00 for the trouble and upset caused is fair in the circumstances. It acknowledged that it had failed to carry out the service within the contractual period and that it was late by around nine days. For this, it ultimately offered and paid compensation of £65.00. Mr and Mrs F felt that this wasn't enough compensation and sought a far greater amount. They were also dissatisfied that the timeframe to accept the offer was limited to around seven days.

Mr and Mrs F initially complained in November 2019. This complaint was acknowledged by BG via email. The email from BG provided a complaint reference number and confirmed that an investigation of the complaint would take place. It also mentioned that its aim was to complete all investigations and respond to the complaint within eight weeks. Although, I

accept that this was a relatively standard letter, I can't say that BG failed to acknowledge Mr and Mrs F's complaint.

I have examined the evidence regarding the timeframe for acceptance of the offer and I don't think it was unreasonable. In the emailed offer BG stipulated that the acceptance of the offer could be made either by telephone or via email. I accept that because Mr and Mrs F were away from home, telephoning would've been difficult.

But, Mr F managed to email BG as he confirmed that '*he was inclined not to accept the offer*'. So I think it was reasonable for Mr and Mrs F to communicate with BG via email (which they did) within the seven-day period of acceptance.

Whilst I understand that Mr and Mrs F will be disappointed with this outcome, I think that BG hadn't breached the terms of the contract and had acted fairly. Accordingly, there is nothing further that I can reasonably ask it to do.

My final decision

My final decision is that I don't uphold this complaint, for the reasons given. I am satisfied that the £65.00 that British Gas Insurance Limited has already paid is fair and reasonable. So, I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 4 December 2020.

Ayisha Savage
Ombudsman