

## **The complaint**

Mr K complains that British Gas Insurance Limited (BG) incorrectly charged him for work completed, followed by payment demands.

## **What happened**

Mr K had HomeCare Two home emergency cover with BG, including boiler and central heating cover. BG replaced Mr K's boiler and carried out a power flush. He says he didn't ask for the power flush, but the engineer said it was part of the boiler replacement process.

BG sent an invoice to Mr K for the policy excess for the power flush. He didn't pay because he hadn't been told about the charge and he wouldn't have had the power flush if he'd known. BG twice chased payment, each request being two weeks apart. The second payment demand indicated that the next step would be debt collection.

Mr K complained to BG but, while waiting for its response, he received a further payment demand from a solicitor, which he paid.

After investigating his complaint, BG refunded the money to Mr K and paid him £50 by way of apology. It had incorrectly charged him the £60 excess on his policy. Mr K didn't think the payment was enough.

Then, I issued a provisional decision in October 2020 explaining that I was intending to uphold Mr K's complaint.

Here's what I said in my provisional decision:

*"I've considered all the evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*I've provisionally decided to uphold Mr K's complaint and I'll explain why.*

*There's no dispute about the work carried out and, now, there's no dispute that BG incorrectly charged the £60 excess fee. BG refunded the excess and sent Mr K £50 by way of apology. What remains for me to decide is whether the compensation of £50 is enough in the circumstances. I don't think it is.*

*Mr K wasn't expecting to receive the invoice for £60, so I think that must've been a shock in the first place. Two weeks later he received a payment demand, and two weeks after that he received a red, second payment demand. It was at this point he contacted BG.*

*BG says that if he had contacted it when he received the first payment request it could've resolved the matter then, meaning he wouldn't have received further demands. I agree to some extent, but it doesn't change the fact that BG made the mistake in billing him. So I think BG's initial mistake would, inevitably, have caused Mr K some inconvenience because he would've had to contact BG to tell it about the mistake.*

*I understand why BG thinks the matter could've been resolved much sooner if Mr K had contacted it after he received the invoice. Ordinarily, I might've considered that a reasonable assumption. But the evidence doesn't support BG's position. While it wasn't as soon as he could've done, Mr K did contact BG when he received the second payment demand, which was just four weeks after the original invoice. Despite bringing the matter to BG's attention, he still received another payment demand, this time from a solicitor acting on BG's behalf. Mr K received the letter more than six weeks after he told BG about its mistake.*

*Mr K says he felt the letters were threatening. Given that he didn't think he owed anything, I can see why he would think that. I've looked at the payment demands, and I don't think they look out of the ordinary. But I appreciate he'd asked BG to look into it so I can understand why receiving a further demand from a solicitor would've been quite upsetting, especially as the letter states, "There is no reasonable reason for your failure to pay the sum owed". And I think the fact that Mr K paid the bill at this point, even knowing the money wasn't owed, is evidence that he was unsettled by this matter.*

*Overall, I think this was a simple mistake which could've been resolved much sooner. I agree Mr K could've contacted BG when he first received the invoice, but the sequence and timing of events suggests that the payment demands would've been sent anyway. As it was, BG didn't look into the matter until five weeks after Mr K received the solicitor's letter and after he had already paid the bill.*

*BG refunded Mr K his excess fee and paid him £50 by way of apology. But I think a total of £100 is a fairer amount in recognition of the upset and prolonged inconvenience this simple matter caused. As BG has already paid £50, I think it should make a further payment of the same amount."*

I said I was intending to uphold the complaint and I am minded to require British Gas Insurance Limited to:

- pay Mr K a further £50 by way of apology for the unwarranted payment demands and in recognition of the upset caused.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Mr K responded to say he reluctantly accepted the decision.

BG disagreed with the additional £50 suggested because Mr K didn't take any action when he received the payment request letters.

### **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 agree that Mr K didn't act on the first two letters and I've discussed that in my provisional decision. But it doesn't change the fact that once he did complain to BG, it still progressed debt collection to the solicitor stage. It wasn't a valid debt, yet Mr K paid it when he received the solicitor's letter. I'm satisfied that his actions indicate the degree of trouble and upset this matter caused him. For that reason, and those discussed in my provisional decision, I think a further £50 compensation by way of apology is warranted.

### **My final decision**

For the reasons I've explained above, and in my provisional decision, I uphold Mr K's complaint.

British Gas Insurance Limited must pay Mr K a further £50 by way of apology for the unwarranted payment demands and in recognition of the upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 November 2020.

Debra Vaughan  
**Ombudsman**