

The complaint

Mr F complains about the service provided by British Gas Insurance Limited under a home emergency insurance policy.

What happened

Mr F bought a HomeCare policy with British Gas in December 2016 and he renewed it in December 2017 and December 2018. The policy provided cover for his boiler, controls and central heating and included an annual service of his boiler. The first annual service was carried out in March 2017. The second service was in July 2018. His third service was due on 4 December 2019 but British Gas rescheduled the service to January 2020 and then March 2020 because of a high level of demand for its services. Mr F renewed his policy in December 2019 but decided to cancel it in February 2020 due to the delay in having his boiler serviced. He complained to British Gas that it had failed to carry out a boiler service under his HomeCare contract within the last 20 months. He asked for a refund of his HomeCare payments. British Gas accepted it had failed to conduct an annual service for the contractual year from December 2018 to December 2019. It apologised for the difficulties Mr F had experienced and sent him a cheque for £85 to recognise the inconvenience it had caused.

Mr F wasn't happy with the response from British Gas and came to this service. Our investigator didn't think British Gas needed to do anything more. She said British Gas had refunded £65 for the one service it had missed and thought this was fair as that was the cost of the annual service in his policy. She didn't think British Gas should refund Mr F's premiums as he'd had the benefit of the cover he'd taken out for boiler, controls and central heating. She said British Gas had offered Mr F a total of £40 for the trouble and inconvenience it had caused, and she also thought that was fair.

Mr F didn't agree with the investigator's view and so the complaint has been passed to me to make a final decision. Mr F said he'd only received a total of £85 for the inconvenience caused and the refund of the missed service, and not the £105 the investigator had referred to.

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've come to the same conclusion as our investigator and for largely the same reasons. Let me explain why.

Mr F's home emergency policy says:

'annual service

- a check in each period of agreement to ensure that your gas boiler, appliance or central heating, and ventilation is working safely and in line with the relevant laws and regulations.

See page 28 for more details'

Page 28 of the same document includes the following:

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

Mr F's period of agreement ran between December 2018 and December 2019. Mr F's boiler was therefore due to have an annual service at some point in that period. It was first scheduled to take place in December 2019 and, had that service been done, British Gas would have met its commitment to providing an annual service within the period of that agreement. But the annual service was rescheduled – first to January 2020 and then to March 2020. That meant Mr F's boiler wasn't serviced within the 2018-19 HomeCare agreement. There's no dispute about this and British Gas accepts the annual service was missed for that contractual year.

Mr F's policy says the annual service might be more, or less, than 12 months after the previous visit. And it also says the annual service might need to be rearranged when there's a high demand for its services. So, while it was unfortunate the service didn't take place in December 2019, I think British Gas acted fairly in making Mr F aware of the possibility it might need to be rescheduled and why.

British Gas has offered Mr F a total of £105 for failing to conduct the annual service. It's said £65 is equivalent to a refund of the annual service element of his fee for 2018-19. And the remaining £40 is for the inconvenience caused. It told this service that it had sent a cheque for £85 but it had also authorised a further amount £20 by way of a goodwill payment.

Mr F has asked for more of his payments for 2018-19 to be refunded but I don't think that would be fair. The annual service was only one part of the agreement he was paying for and although he didn't receive the benefit of the annual service, he was still covered for any repairs to his boiler and central heating that might have been necessary throughout the year. So, Mr F received the benefit of that cover and I think it would be unfair to expect British Gas to refund any further payments he made.

Taking everything into account, I think £105 is a reasonable amount to recognise the impact on Mr F of the poor service provided by British Gas. It includes a refund of the amount he paid for an annual service plus a fair amount for the trouble and upset caused. Mr F has said he's only received a cheque for £85 so I will expect British Gas to make sure it has given Mr F the further £20 it's offered.

My final decision

British Gas Insurance Limited has already offered to pay £105 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that British Gas Insurance Limited should pay Mr F a total of £105.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 24 December 2020.

Richard Walker
Ombudsman