

The complaint

Mr A complains that British Gas Insurance Limited (BG) is responsible for poor service in connection with his kitchen appliance cover of his home emergency insurance policy.

What happened

In March 2019, Mr A contacted BG to report an issue with his washing machine. On a few occasions it sent out an engineer to try and fix it. On the final occasion, the engineer deemed the washing machine unrepairable.

Mr A contacted BG to complain about the length of time it took to repair the washing machine and the disruption this caused. BG ultimately agreed to an increased contribution of 50% towards the cost of a replacement washing machine, as it recognised that there had been customer service issues.

Mr A wanted the full cost of replacing the machine as he said it was provided for in the terms and conditions of the policy. BG asked Mr A for proof of age of the machine, as it wanted to know about the age of the washing machine – so it could calculate what contribution was due in line with the policy terms. Mr A didn't provide the proof.

While the washing machine was being removed by Mr A, it caused damage to his property and he raised a further complaint to BG on the basis that the appliance disposal team should have removed the washing machine as he had paid for this service. And so BG were responsible for the damage caused.

In its final response, BG accepted that there had been customer service issues, which is why it offered a higher contribution towards the cost of the replacement appliance. It didn't accept that it was responsible for the damage caused to Mr A's property as it said that Mr A had caused this damage himself when he had attempted to remove the washing machine. Mr A wasn't satisfied with BG's final response to his complaint, so he brought it to this service.

Our investigator didn't uphold his complaint. His view was that there was insufficient evidence to support a conclusion that BG had acted unfairly as the settlement was reasonable and acknowledged the poor service. He also said that BG weren't responsible for the damage caused to Mr A's property.

Mr A didn't agree with our investigator's view as he said BG had failed to provide him with an adequate disposal service, so he asked for a review 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.

I considered the complaint and I thought the complaint shouldn't be upheld. I issued a provisional decision on 14 October 2020 and asked both parties to send me anything else by 13 November 2020. In my provisional decision I said:

I must consider this complaint impartially and look at whether BG acted unfairly in its dealings with Mr A. I think there are two specific aspects to this complaint. Firstly, the appliance contribution and secondly, the failure to provide Mr A with an adequate appliance disposal service.

I have reviewed the terms and conditions of the policy document and it says:

'What is covered: All repairs to the kitchen appliance(s) shown on your statement

A contribution towards a replacement if we can't repair it or we decide it will cost less to replace than to repair. We'll source the replacement from our approved supplier and make the following contribution based on their current retail selling price:

- 100% if your appliance is less than three years old*
- 30% if your appliance is three years old or more*

You may use our contribution towards an alternative model of your choice from our approved supplier. There is no cash alternative'

Both parties agreed that the washing machine could no longer be repaired and so BG, in accordance with the terms and conditions of the policy, offered an initial contribution of 30%. This was later increased to 50%, as it recognised its poor customer service. I must decide whether BG was fair in its offer and having reviewed the evidence, I think it was and I'll explain why.

I understand that Mr A wanted BG to pay for the entire cost of replacing his washing machine as he said that the machine was under three years old. That term states:

*'Confirming the age of your appliances: If your **product** includes **replacing** appliances our engineer will estimate how old it is. If you disagree you'll need to show us either the original from new receipt, a dated guarantee or proof of when it was first installed.'*

But BG (during its investigations) found that the washing machine was over three years old. So, it requested proof from Mr A to confirm the machine's age. Unfortunately, Mr A didn't supply this proof, as required by the terms and conditions of the policy. So I can't say that BG were unfair in requesting the proof.

It's accepted that BG increased its offer of the contribution towards the replacement appliance, as it recognised that its customer service towards Mr A was lacking. Consequently, I can't say that BG were unreasonable to rely on the policy terms and conditions when it made its increased offer.

I accept that Mr A told BG that he had water trapped within the washing machine. But BG has said that it would have been Mr A's responsibility to ensure that the washing machine was ready for disposal. Which would've meant that it was empty and disconnected.

In addition, although Mr A says that BG's attempted repairs caused the condition of the washing machine to worsen, on balance I do not consider it fair to hold BG responsible for there being trapped water in it. It would appear that BG was simply making reasonable attempts to repair the unit.

BG has told us that Mr A paid to have his old appliance removed. This service BG has confirmed is an 'add-on' and not provided by BG. Also, the policy terms and conditions explicitly state that the 'disconnection and disposal of an old appliance isn't covered'. I have asked BG to provide the call recordings that dealt with the conversation about the washing machine disposal. Unfortunately, because of the length of time it has said that the recordings can no longer be retrieved. So I must decide on the evidence before me.

I think that the terms and conditions are clear in that BG won't be responsible for the disposal of any old appliance. On balance and despite the absence of the call recordings, I am satisfied that Mr A would've been told this. So, I can't say that BG were responsible for the appliance removal or the damage caused to Mr A's property. And I should also make it clear that because the washing machine disposal service was an 'add on' that was not provided under Mr A's insurance policy, I do not have the powers to consider what happened with that disposal service. That is because the disposal service is not a regulated activity.

Overall, BG has dealt with Mr A fairly and I am satisfied that its offer is fair in the circumstances and I intend not to ask BG to do anything more to resolve this complaint. But I invite both parties to send me any further comments they might have for me to consider, in response to my provisional decision.

Responses to my provisional decision

BG had nothing further to add to the provisional decision.

Mr A confirmed that he had received my provisional decision. He also said that: 'you have not been following legislation. If I am not paid out for damages and compensation you will not be complying with law of UK'. From these comments, I think that Mr A is saying that I have not followed UK law and that he wants damages and compensation paid.

My role is to decide whether BG has acted fairly and reasonably, taking into account the law, good industry practice, amongst other things. In this case I am satisfied that BG has met its obligations under the terms of the contract.

I am aware of Mr A's strength of feeling and I am sorry to have disappointed him. But, I am satisfied on the evidence presented to me that BG acted fairly and dealt with Mr A's complaint reasonably.

My final decision

For the reasons I have explained, my final decision is that I don't uphold this complaint. I direct British Gas Insurance Limited:

To pay 50% towards the cost of a replacement washing machine as I think this offer is fair in all the circumstances, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 December 2020.

Ayisha Savage
Ombudsman