

The complaint

Mr K complains that British Gas Insurance Limited (BG) reduced the cover under his home emergency policy but refused to reduce the premium to reflect this.

What happened

Mr K had a home emergency policy with BG covering his boiler, central heating, plumbing, drains and electrics for repairs and emergency call outs. It also provided for an annual service of the boiler. The policy had an excess of £60 in respect of repairs. Mr K says in March 2020 BG emailed him to advise that in response to Government guidelines in respect of Covid-19 it was reducing its services to cover emergency call outs only, until further notice.

Mr K complained to BG saying the premium should be reduced to reflect the reduction in cover provided. He said because of the email he hadn't contacted BG but had arranged his own plumber to deal with a minor leak from a radiator. This cost £60, the same as the excess on the policy with BG.

BG rejected Mr K's complaint. It said it was required to re-evaluate its services due to Government guidelines regarding essential work and travel. It said no refund was due as the policy still provided for essential work or emergency visits. And although the repair to the radiator wouldn't have been classed as essential it would have been dealt with when no restrictions were in place subject to the terms of the policy.

Mr K referred his complaint to our service. Our investigator didn't uphold it. She said she didn't think Mr K had been treated unfairly. She said there was no financial disadvantage as the plumber had charged the same as the excess under the policy for the radiator repair. She said BG would still attend for an emergency and it would need to assess any other situation in order to respond appropriately. And there wasn't any evidence that it wouldn't have done this had Mr K contacted it. She said that once Covid-19 restrictions had been eased BG did attend to carry out the annual service of the boiler.

Mr K said whether he was financially disadvantaged or not wasn't relevant. BG had said not to contact them unless it was an emergency and he'd paid for a policy that wasn't just for emergencies, so he hadn't been supplied with the product he'd purchased. Our investigator said unlike the purchase of goods the purpose of insurance policies was to provide peace of mind and where a claim isn't made at all a refund of premium wouldn't be expected.

As Mr K doesn't agree it has come to me to decide.

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 am not upholding the complaint.

I can understand Mr K's disappointment about the potentially reduced service, but I don't think BG has treated him unreasonably or unfairly. I've considered the terms and conditions of the policy in coming to my decision. These set out what is and isn't covered by the policy including how services will be provided. A section headed "*Reasonable timescales*" says:

*"We'll carry out any **repairs** or visits you're entitled to within a reasonable time, unless something beyond our control makes that impossible – in which case we'll let you know as soon as possible and give you another time when we can visit."*

I think the Government's guidance in respect of essential work and travel in relation to the Covid-19 pandemic were beyond BG's control. And the decision to only attend emergency call outs in response to the guidance was reasonable. This sort of exceptional circumstance is provided for in the terms and conditions of the policy and BG has acted in line with them.

Mr K accepts that he didn't contact BG about the problem with the radiator and that it wasn't an emergency. As the repair cost the same as the policy excess, I don't think Mr K has suffered any financial disadvantage in BG not being able to attend.

If he'd contacted BG, I think it would have offered to carry out the repair when Covid-19 restrictions allowed it to, as it did when it carried out the annual service subsequently. Had there been any other none emergency issues I think these would also have been covered by BG when it was possible to do so.

I think Mr K did receive the cover he'd paid for given the exceptional circumstances applying and he hasn't lost out because of any error by BG, so I won't be asking it to do anything further.

My final decision

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 23 February 2021.

Nigel Bracken
Ombudsman