

The complaint

Mr M complained that British Gas Insurance Limited (BG) had taken payment from him by a direct debit he disputes that he set up for a HomeCare insurance policy. He's now complained that BG hasn't paid him the compensation BG agreed to pay him for this

What happened

Mr M initially complained that as part of his energy tariff, a direct debit had been set up with BG for a HomeCare policy that he didn't want and without his consent. He brought a complaint to this service on 4 March 2020. There was no financial loss to Mr M and the complaint was resolved.

Our investigator's view, issued on 28 August 2020, was that BG should've resolved the matter much earlier than it did, and that it would be fair for BG to pay Mr M £50 compensation. BG accepted the investigator's view on 22 September. Mr M said he'd like to receive this payment by cheque as he didn't want it added as a credit to one of his energy tariffs. BG said it would send a cheque following receipt of this service's closure letter, which was issued the same day.

Mr M hadn't received a cheque by 20 October. On 27 October BG said it would raise a cheque (which suggests it hadn't previously done so) and this was sent to Mr M on 3 November. BG has provided evidence of this. This cheque still hadn't been received by 23 November.

To avoid any further problems with missing cheques, on 23 November BG was asked to make payment to Mr M by BACS directly into his account, details of which BG had. On 30 November, BG replied to say that it needed to locate the missing cheque and see if it had been cashed. It would then send payment.

On 16 December 2020 BG confirmed that the second cheque hadn't been cashed and that a request for it to be reissued had been raised and Mr M should receive this within 10 days. On the same day Mr M said he wanted a final decision from an ombudsman on the basis that BG "had failed to make payment after both several months and excuses", and because the investigator's view wasn't legally binding. Mr M has now asked that BG's compensation be increased to £100. The same day our investigator told BG to stop any payment being made until a final decision had been issued.

As Mr M and BG both agreed with our investigator's view as to the reasonable outcome of the initial complaint about the direct debit, I'm confining my decision to the payment of the compensation that BG agreed to pay when accepting our investigator's view.

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 don't consider that BG has been fair to Mr M in that it hasn't acted with reasonable speed to make payment to him to such an extent that he had to engage the assistance of this service. BG should've made payment of £50 shortly after it accepted our investigator's view on 22 September 2020.

I consider that in these circumstances it would be fair for BG to pay Mr M a further £50 to compensate him for not having received the agreed payment in a timely manner and for the inconvenience of having to raise the matter through this service.

My final decision

For the reasons I've given above, I require British Gas Insurance Limited to pay Mr M compensation of £100, such sum to be paid within 10 business days by direct transfer to Mr M's bank account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 March 2021.

Nigel Bremner
Ombudsman