

The complaint

Mr B is unhappy with the way OVO (S) Home Services Limited, trading as SSE, handled his request to cancel his home emergency insurance.

What happened

In May 2020 Mr B phoned SSE to discuss cancelling his home emergency policy. Mr B said he asked the adviser he spoke to whether there would be a charge for cancelling his policy and was told there wouldn't be. So, he cancelled it. About a week later, SSE contacted Mr B to say he owed about £200 for cancelling his policy. Mr B thought this was unfair and he complained to SSE.

SSE was satisfied it had applied the cancellation charge in accordance with the terms and conditions of Mr B's policy. It said it had listened to the relevant call but neither Mr B nor the adviser he'd spoken to had mentioned a cancellation fee. But it said the adviser should have transferred him to its cancellations team to discuss the charge. Because that didn't happen, it agreed to reduce the balance he owed to £100 as a gesture of goodwill. SSE also said it would place the amount he owed on hold. It said it couldn't stop its system generating letters asking for the balance to be repaid. But it would stop the balance being passed to its debt collectors. Mr B wasn't happy with SSE's response and so complained to this service. He said he was still being contacted by a debt collection agency despite SSE saying it wouldn't pass the debt to them.

Our investigator was satisfied SSE had made Mr B aware of a cancellation fee when it had sent him the policy documents prior to the telephone call of May 2020. And while she said there was contradictory evidence about what was said in that call, she didn't think there was enough evidence to say Mr B had been told there wouldn't be a cancellation fee. So, she thought the reduction in the fee to £100 was a fair outcome for not transferring his call to the right team. But she thought SSE should do more to acknowledge the impact on Mr B of continuing to be contacted by the debt collection agency after he'd been told the debt wouldn't be passed to them. She thought £100 was a fair way of putting that right.

SSE agreed to the investigator's view and said it would use the £100 to write off the debt Mr B owed. Mr B wasn't happy with the investigator's view. He thought the note of the call he had with SSE didn't accurately reflect the conversation he'd had. And thought SSE should pay him about £500 for continuing to be contacted by the debt collector. As Mr B remains unhappy the complaint has been passed to me to make a final decision.

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.

The terms and conditions of Mr B's policy sets out when a cancellation charge applies. Section 16 is called 'Ending your policy' and sets out the circumstances when a termination charge will be applied and how the amount of that charge is calculated. The renewal pack sent to Mr B in December 2019 also set out how Mr B could cancel his policy and what

charges would be applied. So, I'm satisfied SSE notified Mr B that charges would apply if he chose to cancel his policy.

SSE no longer has a recording of the call Mr B made in May 2020 so I can't be sure what was said. But SSE did listen to the call shortly afterwards and said its adviser hadn't mentioned a fee and neither had Mr B. I recognise Mr B doesn't agree with that. And while I have no reason to doubt his recollection of the call, on balance and in light of the evidence that is available, I think it would be unfair to say SSE misled him about the cancellation charge.

SSE accepts the call would normally have been transferred to its cancellations team and Mr B would then have been told about the charge. SSE has acknowledged it should have discussed the charge with him and it's reduced it from about £200 to £100 to recognise the frustration caused. I think that's fair and reasonable in all the circumstances.

Mr B was also unhappy that SSE had instructed a debt collection agency to collect the debt even though it had told him it wouldn't do that. Our investigator thought SSE should pay Mr B £100 to recognise the impact of that, while Mr B believes £500 would be more reasonable. When we consider what a business needs to do to put things right, we look at the impact any mistake or poor service has had on the individual. Mr B continued to receive correspondence from the debt collection agency even though SSE had told him it wouldn't forward the debt to them. This meant he had to spend time contacting SSE to find out what was happening, and I can understand why he found this frustrating and annoying. In the circumstances, I think £100 is an appropriate way of recognising the frustration and inconvenience caused.

Putting things right

In light of the above, I think the fair and reasonable thing to do, in the particular circumstances of this case, is for SSE to pay Mr B £100 for the trouble and upset caused by its poor service. SSE has suggested it use the £100 to offset the £100 cancellation charge Mr B owes and, if it chooses to do that, I think that's reasonable. Either way, it should let Mr B know what it intends to do.

My final decision

My final decision is that I uphold this complaint to the extent set out above. OVO (S) Home Services Limited, trading as SSE, should either pay Mr B £100 for the trouble and upset caused by its poor service. Or use that amount to offset the £100 cancellation charge he owes.

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

Richard Walker
Ombudsman