

The complaint

Mx A has complained that British Gas Insurance Limited (British Gas) mis-sold them a home emergency policy.

What happened

Mx A switched energy providers to British Gas through a collective bargaining scheme. As part of the energy tariff, it included 12 months cover for their central heating, boiler, plumbing, drains and electrics. Mx A cancelled the energy switch during the cooling-off period. They were told the 12-months HomeCare cover was a separate insurance policy that had started immediately and had a different cooling-off period. Mx A also cancelled the insurance policy.

Mx A complained that British Gas had mis-sold them the insurance policy alongside the energy tariff because the way the policy had been described was misleading. British Gas said the policy hadn't been mis-sold.

When our investigator looked at the complaint, he didn't uphold it. He said the information British Gas provided pre and post-sale was clear enough to make Mx A aware there were two separate agreements and that the policy was part of the deal.

As Mx A didn't agree, the complaint has been referred to me.

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 don't uphold this complaint. I will explain why.

I'm only able to look at what happened in terms of the HomeCare insurance policy. The energy tariff isn't within the remit of this service and I can't consider it.

When taking out an insurance policy, customers should be given information that's clear, fair and not misleading. This was also a non-advised sale, which meant it was for Mx A to decide whether the policy met their needs based on the information provided. I've considered the information Mx A was given when they took out the policy.

The policy was taken out through a collective bargaining scheme as part of an energy switch. The sale itself took place on British Gas's website. At the start of the process, Mx A was emailed a list of tariffs by a third party and a link to "Switch now". For British Gas, the email said the following about the HomeCare policy:

"This tariff includes Boiler & Controls Breakdown Cover, Plumbing, Drains and Home Electrical Cover for first 12 months."

It also provided the following further details:

“This tariff includes Boiler & Controls Breakdown Cover, Plumbing, Drains and Home Electrical Cover for first 12 months. The Boiler & Controls Breakdown Cover, Plumbing, Drains and Home Electrical Cover for the first 12 months will be auto-renewed [after] year one at standard prices.”

The British Gas website then provided Mx A with further information, including a section called “*Plan information*” that said:

“This tariff includes Central Heating Breakdown Cover, Plumbing, Drains and Homes Electrical Cover, valued at £144 per year. Introductory offer for your first 12 months which will automatically renew at an average cost of £12.00 month. It will be set up as a separate services agreement.”

Mx A also had the option to look at the terms and conditions. I’m aware that Mx A has said they thought the important details should be in “*the big print*”, rather than hidden away in the terms and conditions, which they said they intended to read in more detail at a later point. On the first page of the tariff terms and conditions document it said:

“This tariff includes an introductory offer for 12 months of Boiler and Controls Breakdown Cover, Plumbing and Drains Cover and Home Electrical Cover (your Services Cover) which automatically renews after 12 months unless terminated earlier in accordance with the terms of your policy (cancellation fees may apply).

Excesses apply to the Services Cover and this is the amount you need to pay towards each completed repair.

*Boiler and Controls Breakdown Cover - £99
excess Plumbing and Drains Cover - £60 excess
Home Electrical Cover - £60 excess*

Information about what is and is not included in your Services Cover can be found in the HomeCare terms and Conditions and the Insurance Product Information Document(s), below.

...

You’ll receive separate information about this tariff and your HomeCare agreement for your Services Cover once your order has been completed. Your Services Cover and tariff are separate agreements and may have different start and end dates.”

Mx A was also given further information, including that two separate direct debits would be set up, one for the energy tariff and the other for the services cover, and that cancelling this policy would need to be done separately to the energy tariff.

Mx A accepted the tariff and British Gas then sent them two separate letters, one for the energy tariff and one for the HomeCare policy. The HomeCare policy letter explained the details of the cover, including that it was an insurance product. I also note that Mx A told our investigator they were aware of the details of the HomeCare part of the deal and that they also cancelled the HomeCare policy during the 14-day cooling off-period.

So, from what I’ve seen, Mx A was given information that explained the HomeCare cover was a separate agreement and could have a different start and end date to the energy tariff, that it would renew automatically after 12-months and an indication of potential costs when that happened. British Gas also explained about the HomeCare terms and conditions, the policy document and the insurance excesses, as well as how to cancel the policy, which needed to be done separately to the energy tariff. As a result, I think British Gas made it sufficiently clear that the HomeCare policy was a separate product to the

tariff, that it was an insurance policy and it needed to be cancelled separately to the energy tariff.

I'm aware that Mx A is concerned that other people might have been misled by British Gas's marketing and sales process. However, I can't speculate on what other people's experience might have been. I can only consider the circumstances of individual complaints, in this case what happened when Mx A took out the policy. Having done so, I don't uphold this complaint or require British Gas to do anything further because, in my view, Mx A was given sufficient information to understand the details of the insurance product and to make an informed decision about whether it met their needs.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mx A to accept or reject my decision before 22 September 2021.

Louise O'Sullivan

Ombudsman