

The complaint

Mr B complains that British Gas Insurance Limited unfairly charged him a £99 excess after he made a claim on his home emergency policy.

What happened

Mr B has a British Gas HomeCare policy, covering his central heating. He made a claim for two leaking radiators, and an engineer fixed the problem.

Mr B complained that he was charged a £99 excess for the claim. He says the engineer was at his property for 20 minutes and simply tightened three nuts. He says three firms have confirmed that the job would have cost £50 at the most.

Mr B says he only needs to pay the £99 excess if the repairs cost more than £99. As such, he wants a breakdown of the repair costs. British Gas says the excess is payable for each repair it carries out, regardless of the repair cost or the time taken.

One of our investigators considered the complaint, but he didn't think it should be upheld. He thought the £99 excess was the amount Mr B had agreed to pay for each repair, regardless of cost. Because Mr B disagreed, the complaint has been passed 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.

I can understand Mr B's upset given the nature of the repair. I also accept a local plumber or heating engineer would have likely charged a call out fee of about £50. However, it doesn't necessarily follow that British Gas' operating costs, per job, are the same as other firms. In any event, what's important here is that Mr B made a claim, and British Gas completed a repair. In such circumstances, I'm satisfied the excess is payable. I'll explain why.

Mr B's policy agreement says:

- *"Central Heating Breakdown Cover (£99.00 excess)"*
- *"If you have chosen to pay an excess you will need to pay this for each completed repair or replacement"*

The policy terms say:

- Under definitions: *"excess/fixed fee – the amount you've chosen to pay towards each completed repair or replacement."*
- Under the heading 'making repairs': *"Your statement shows how much excess or fixed fee you've agreed to pay each time we complete a repair or replace your appliance"*

In my view, the agreement is clear that the excess is payable for every completed repair, as is the statement in the policy terms under the heading 'making repairs'. I've not seen anything in the policy agreement, or in the more in-depth policy terms, that states Mr B only needs to pay £99 if the repair costs more than £99.

The policy definition of 'excess' uses the term 'towards'. As such, I accept this definition *could* be interpreted to mean that the policyholder only needs to pay *towards* the repair costs, up to a maximum of their excess amount. So, if the repair cost less than their excess, they would just pay this amount.

However, *overall*, when the information I've highlighted is considered altogether, I don't find the policy documents to be misleading. I'm satisfied the terms allow British Gas to charge the full excess amount in the event of a repair or replacement, and the documents are sufficiently clear about that.

Furthermore, British Gas says Mr B took out the policy online in October 2020 and he opted for a £99 excess. I've seen British Gas' website contains statements such as these:

- *"You can usually choose the amount of excess you'd like to pay when you buy your cover. Our excess options tend to be £0, £60 and £99."*
- *"Your excess is the amount you'll pay for every completed claim. Your HomeCare price will depend on the amount of excess you've chosen for your agreement. Put simply, the higher the excess, the lower the premium."*
- *"You will need to pay the full excess amount. If you have opted for a £60 excess, then you will need to pay £60 for every completed new repair."*
- *"The job was completed quickly, do I still need to pay an excess? Yes, the excess is charged for each new claim on the policy and isn't related to the time taken to complete the repair."*

Whilst I don't know what information Mr B saw online when taking the policy out, I'm satisfied the above information is clearly signposted on British Gas' website, and it makes clear the excess is payable for every claim irrespective of the repair or time taken.

My final decision

I'm sorry to disappoint Mr B. But for the reasons above, I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 November 2021.

Vince Martin
Ombudsman