

The complaint

Mr C has complained about the home emergency policy he had with British Gas Insurance Limited (British Gas).

What happened

Mr C had a policy with British Gas for a gas safety check and certificate (CP12) for a property he owned. He said he spoke to British Gas and was told that if he upgraded to a HomeCare 4 policy he wouldn't need the other policy as it would be included in this policy.

British Gas continued to take payment for both policies. So, Mr C told British Gas he hadn't benefitted from the HomeCare 4 policy and wanted a refund. When British Gas replied it said Mr C had two different policies each with different features. It wouldn't refund the cost of the policy.

When Mr C contacted this service, our investigator didn't uphold the complaint. He said the two policies offered different features, so British Gas hadn't done anything wrong by charging him for both policies.

As Mr C didn't agree, the complaint has been referred to me.

I issued my provisional decision on 20 September 2021. In my provisional decision, I explained the reasons why I was planning to uphold the complaint in part. I said:

Mr C had a policy that provided gas safety checks and a landlord's (CP12) certificate. When he took out the HomeCare 4 policy, Mr C said he thought this was an upgrade and that he would no longer require the separate policy for the gas safety checks and landlord's certificate. From what I've seen, Mr C wanted a HomeCare 4 policy that included the gas safety checks and landlord's certificate. British Gas does offer a policy that combines these two elements.

Mr C told this service that he started the process online to buy the HomeCare 4 policy. During the process, he phoned British Gas to confirm that the HomeCare 4 policy included the CP12 certificate. He said British Gas confirmed that it did, so he bought the policy. It hasn't been possible to listen to the phone call as British Gas no longer has it, but I've no reason to doubt what Mr C has said. So, I think, overall, Mr C had the policy cover he wanted in place, which was HomeCare 4 and a gas safety check and certificate. However, this was as two separate policies when Mr C wanted it all to be in the same policy.

So, I currently intend to say that British Gas should check the total cost of Mr C's separate policies and compare this to the cost if the HomeCare 4 policy and the CP12 certificate had been covered by the same policy. If it would have been cheaper to take out a combined policy, I currently intend to say that British Gas should refund the difference in cost. Any refunds British Gas has already made in relation to the cost of these policies for the period in which both policies were in place can be deducted from any refund for the difference in cost between the policies.

Mr C has said that he should be refunded the full cost of the HomeCare 4 policy. However, from what I've seen, Mr C did want the benefits of the HomeCare 4 policy, he just didn't want it in a standalone policy. British Gas also provided the record of its visits to Mr C's property. This showed that British Gas carried out the annual visits under the gas safety checks policy and also carried out an annual service under the HomeCare 4 policy. Mr C seems to have suggested that the HomeCare 4 annual service didn't take place, but looking at British Gas' records the visit is listed and so the evidence I currently have shows it did take place. There don't seem to have been any home emergency visits, but I've seen nothing to suggest that British Gas wouldn't have visited had Mr C contacted it about an issue that was covered by the HomeCare 4 policy. So, I don't currently intend to say that British Gas should refund the cost of the HomeCare 4 policy.

I asked both parties to send me any more information or evidence they wanted me to look at by 20 October 2021. Both parties responded before that date.

British Gas accepted the decision.

Mr C didn't accept the decision. In summary, Mr C said that a penalty should be imposed on British Gas or compensation awarded to him. British Gas also hadn't complied with the agreement made over the phone and stood to benefit from that. He said British Gas should be reprimanded, if only to discourage it, and others, from acting this way in the future. He didn't think British Gas repaying the money it owed was a meaningful penalty and didn't acknowledge that there had been a mis-management issue. Mr C said I should consider imposing a fine on British Gas for its malpractice and order them to pay compensation.

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've decided to uphold the complaint in part and for the reasons given in my provisional decision. As part of that, I've considered the comments from Mr C and the strong views that he holds.

It isn't the role of this service to fine or punish a business and we also can't tell a business how it should conduct itself. That is the role of the regulator, the Financial Conduct Authority.

I also only had limited information available to me when I made my decision. British Gas no longer had the phone call and so I based my decision on Mr C's description of what happened. So, I don't know exactly what was discussed in the phone call and why an additional policy was setup. But Mr C has said he wanted one policy that covered both the HomeCare 4 element and the gas safety check and certificate. So, I made my decision, and how it should be resolved, on that basis. I've thought carefully about the full circumstances of this complaint and I'm not persuaded to change how this complaint should be resolved.

Putting things right

British Gas must check the total cost of Mr C's separate policies and compare this to the cost of the HomeCare 4 policy and the CP12 certificate if they had been covered by the same policy. If it would have been cheaper to take out a combined policy, British Gas should refund the difference in cost.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that I uphold this complaint in part. British Gas Insurance Limited must check the total cost of Mr C's separate policies and compare this to the cost of the HomeCare 4 policy and the CP12 certificate if they had been covered by the same policy. If it would have been cheaper to take out a combined policy, British Gas should refund the difference in cost.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 November 2021.

Louise O'Sullivan
Ombudsman