

The complaint

Mr and Mrs H complain about the delay caused by British Gas Insurance Limited (BG) in having their radiator fixed under their Home Care policy.

What happened

Mr and Mrs H said they told BG about their faulty radiator in January 2021 and were told it would be a month before they'd send an engineer. In February 2021 they said BG advised the appointment would be delayed until March 2021. Shortly before the appointment, Mr and Mrs H said they were told it would be delayed until to 27 April 2021. They said when they checked it online it wasn't there, and they had to book an appointment for 14 May 2021.

Mr and Mrs H complained to BG in January 2021 but said they weren't given a reference number or response from BG. To resolve the complaint, they wanted to be compensated for their insurance payments between January and April 2021, as they believe they haven't received the benefits that the policy was meant to provide during this period.

BG apologised to Mr and Mrs H for its poor service and offered £50 compensation. Mr and Mrs H weren't happy with this and brought their complaint to our service. BG then increased the compensation to £103, which Mr and Mrs H were prepared to accept. But BG cancelled the May appointment the day before it was due, and Mrs H said that she spoke to a supervisor at BG who said they couldn't send an engineer until 3 June 2021.

BG offered Mr and Mrs H further compensation of £20 and £50 credit against a new heater, and £65 credit against their central heating policy for missing an annual service. Mr and Mrs H rejected BG's total offer of £234.48 as they'd lost faith in BG and its very poor service. They referred their complaint back to our service and requested a refund of premiums.

BG said we couldn't consider Mr and Mrs H's complaint as it stems from activities provided to them as part of their central heating policy, which isn't regulated by the Financial Conduct Authority.

Our investigator said we can't consider Mr and Mrs H's complaint about the annual service as this doesn't stem from a policy involving a regulated activity. He said we could consider their complaint about the central heating cover as it did stem from a regulated activity.

Our investigator said there's no record of a booking in January 2021 but there were bookings from February to June 2021, and no annual service after December 2019. He said a refund of premiums wasn't fair as they were still able to make a claim and they had still benefitted from the policy. He thought BG's offer was fair as Mr and Mrs H had other heating and whilst it wasn't serviced within the period, he hadn't seen anything about a wider impact from this.

Mr and Mrs H disagreed with the investigator due to the significant inconvenience suffered and said there's nothing to reassure them the same thing wouldn't happen again.

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.

Mr and Mrs H have two parts to their complaint, namely BG's failure to provide an annual service during 2020 and its delays, and poor service under their central heating cover for a broken radiator. I've thought about whether or not we can consider these complaints.

Our service can't consider every complaint that's brought to us. We can only consider complaints that the DISP rules (set for us by the Financial Conduct Authority) allow us to. And those are complaints about certain activities carried out by regulated businesses.

The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 sets these activities out. They include effecting (arranging) and carrying out contracts of insurance. So, I need to decide whether the annual service was provided to Mrs H as part of a contract of insurance – and I don't think it was.

To reach this conclusion I've reviewed Mr and Mrs H's policy documents for the period ending in September 2020. They held Kitchen Appliance Cover, Plumbing & Drains Cover, Home Electrical Cover, a 5-year warranty and Boiler Cover. And I can't see that any of these insurance policies provided an annual service. So, I've not seen anything to suggest that an annual service was not provided when it should have been as a benefit from a contract of insurance. Without a link between an annual service and a regulated activity – I can't consider their concerns about an annual service not taking place before 30 September 2020.

Similarly, Mr and Mrs H's central heating cover would need to be a regulated financial activity such as a contract of insurance. The Perimeter Guidance Rules ("PERG") which can be found in the FCA's handbook, set out guidance on what constitutes a contract of insurance. The policy terms and conditions offer repairs to heat and hot water systems, including radiators in the event of a breakdown.

I agree with the investigator that the repairs Mr and Mrs H sought to their radiator were available as part of a contract of insurance and I can consider this part of the complaint. The central heating care cover provides an annual service and so I can also consider Mr and Mrs H's complaint about BG's failure to provide an annual service after the policy renewed in September 2020.

BG blamed industrial action and lockdown restrictions for the cancellations of its visits to Mr and Mrs H. I can understand the difficulties that BG faced but even with this in mind I think the service BG provided was unacceptable. Mr and Mrs H paid for a service and received very little value in return.

Mr and Mrs H have been inconvenienced by BG, and there have been delays in servicing their boiler. In short Mr and Mrs H haven't received the service from BG that they paid for. And I can see that their attempts to resolve the problem and to speak to a manager at BG have been much frustrated. There have been several months of delays and times when the appointments were cancelled the day before they were due to take place.

Similarly, so far as the lack of service after September 2020 is concerned, Mr and Mrs H didn't receive proper service from BG. BG has apologised for this and paid compensation.

I've considered whether BG's offer of compensation is fair in the circumstances. Our service makes awards for the inconvenience suffered by consumers when businesses give poor service or make mistakes and we also consider the stress this may cause. Mr and Mrs H said that appointments and family matters had to be rearranged and I sympathise with them for this. However, I haven't seen evidence of any more significant impact on them and so I think the compensation offered by BG is fair in their circumstances. I wouldn't tell BG to

refund the premiums Mr and Mrs H have paid as they have had the benefit of the policy and could have made further claims if this had been necessary.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs H to accept or reject my decision before 29 November 2021.

Andrew Fraser
Ombudsman