

## **The complaint**

Mr T complains about poor service and about the cover provided under his home insurance policy with British Gas Insurance Limited.

## **What happened**

Mr T bought a HomeCare policy with British Gas in October 2019.

This policy provides an annual service of his boiler and central heating, plus insurance cover for home emergencies.

The first annual service was carried out in November 2019. By February 2021, some 15 months or so later, Mr T still hadn't had the second annual service.

On 8 February 2021, Mr T called British Gas because he had a problem with his boiler. They said they wouldn't be able to send an engineer until four weeks later. Mr T chose to get his own engineer and British Gas agreed to cover the cost.

Mr T sent the invoice to British Gas on 8 February 2021. He chased them around a week later. When he contacted them again, on 11 March 2021, British Gas finally processed the invoice and the payment was later sent out to Mr T.

In the meantime, Mr T had been trying to arrange his annual service. He says he was initially told annual services could be up to 18 months apart. British Gas made an appointment to carry out the service in early April 2021.

They then cancelled that appointment and re-booked the service for late May 2021. Mr T says that when he pointed out that this was outside the 18 months service level he'd been told applied, he was now told annual services could be up to two years apart.

Mr T complained to British Gas. He was unhappy about the time between "annual" services and the cancellation in April 2021. And about the service provided when he had to arrange his own engineer to fix the emergency in February 2021 and then chase British Gas twice for payment.

British Gas apologised for the inconvenience Mr T had experienced when he had to chase payment for the repairs carried out by his engineer. And they offered him £50 – later increased to £80 - in compensation for his trouble and upset.

Mr T wasn't happy with this outcome and brought his complaint to us. He says he wants British Gas to refund his annual premium, given that he hasn't been provided with the service he paid for. And he wants adequate compensation for the stress and inconvenience he's experienced.

Our investigator looked into it and thought British Gas should pay Mr T £100 in total in compensation for his trouble and upset, rather than the £80 they offered.

British Gas disagreed and asked for a final decision from an ombudsman.

Mr T has also expressed his dissatisfaction with the outcome. Our investigator said British Gas had done nothing wrong in terms of the annual service. Mr T thinks they did – and he thinks that merits more compensation than we've so far suggested.

### **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 need to clarify one very important thing at the outset. The HomeCare policy provided by British Gas has two separate elements – an annual service agreement and an insurance contract to cover (certain) home emergencies.

The policy is set out in such a way as to make this absolutely clear – with the sub-sections dealing with the annual service agreement (amongst other things) being headed as "*Our non-insurance products*". The section which deals with the emergency cover is headed "*Our insurance products*".

The rules under which we operate make it clear that we can deal only with complaints about financial products – such as insurance. We can't look into complaints about other matters. And so, we can't look into complaints about service agreements, such as the one provided by British Gas as part of their HomeCare range of policies.

Our investigator said British Gas hadn't done anything wrong in terms of the annual service provision, so this makes no difference at all to the outcome of Mr T's complaint in terms of the redress to be paid to Mr T.

However, we do owe Mr T an apology, because we were never entitled to express a view about the annual service part of the HomeCare policy. We ought to have told Mr T that at the outset. Mr T may wish to raise this with the energy ombudsman to see if it's something they will look into.

In terms of the issues we *can* look into – the service provided by British Gas when Mr T tried to use his emergency insurance cover – I agree with our investigator that £100 is fair and reasonable compensation for Mr T's trouble and upset. I'll explain why.

Mr T bought a policy which he thought would provide some peace of mind in case he faced an emergency with his heating, water or electrics. When he contacted British Gas in exactly such a situation, they weren't able to send an engineer within a reasonable timeframe.

Mr T got his own engineer to attend and fix the problem. British Gas paid for that - eventually – but Mr T was put to the trouble of finding an engineer and then having to chase British Gas several times to get the payment they'd promised.

British Gas have explained that the failure to pay the invoice immediately was due to a systems error, although they've not explained why the issue wasn't resolved the first time Mr T contacted them to point out he hadn't yet been paid.

Mr T's emergency was fixed the same day – albeit he had to arrange for that to happen. The payment was made just over a month after Mr T sent the invoice.

These aren't life-changing events and the delays are relatively minor. But I can see why Mr T says he became frustrated, annoyed and stressed by British Gas seemingly ignoring his requests for the promised payment. He may quite reasonably have worried that he would never get the payment – or indeed any form of response at all from British Gas.

It certainly wasn't the level of service Mr T had a right to expect - and that he'd paid for. And in my view, any less than £100 compensation for that degree of trouble and upset would be unfair and unreasonable.

I know Mr T thinks £100 isn't enough. He says he hasn't had any use out of the policy and wants his premium (over £300) refunded. I'm afraid I can't agree with Mr T on that point. He has used the policy – British Gas paid for the repairs carried out by his engineer in February 2021.

He's also been covered for any other issue which might have arisen during the policy year. And, of course, with insurance policies, the customer pays for the cover. You can't expect a full refund of your premiums, even if you didn't have to make a claim at all.

### **Putting things right**

So, in summary, I think £100 compensation for the trouble and upset suffered by Mr T is fair and reasonable in all the circumstances and that's what I'm directing British Gas to pay.

To be clear, that's £100 in total, not in addition to the £80 British Gas already offered. I believe British Gas sent Mr T a cheque for £80. If he's cashed that cheque, they should pay him a further £20. If not, they should now pay the full £100 compensation.

### **My final decision**

For the reasons set out above, I uphold Mr T's complaint.

British Gas Insurance Limited must pay Mr T £100 in total for his trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 17 December 2021.

Neil Marshall  
**Ombudsman**