

## **The complaint**

Ms T complains that British Gas Insurance Limited (BG) cancelled her HomeCare policy without telling her. And that they failed to provide an annual service during the period she was on cover.

## **What happened**

Ms T held a HomeCare package from BG. When her boiler broke down in November 2020, she contacted them to arrange a repair. But BG told her they'd cancelled the policy in June 2020 as they'd been unable to take the monthly payments from her account since April 2020. Therefore they said they couldn't repair her boiler without charge.

Ms T complained to BG. She wanted a free repair visit, a refund of the premiums paid and a year of free insurance. She said she'd not been told that BG couldn't collect the required payments. Or that the policy had been cancelled. She also complained that she'd not received the service she'd paid for. She said BG hadn't completed the annual boiler service for over four years. Ms T said this failure had led to her having no heating or hot water for a long period of time. And that this had caused her huge stress and health issues.

In their final response to Ms T's complaint, BG didn't uphold her complaint. They said they'd emailed Ms T a number of times to let her know about the missed direct debit payments. They'd also written to her in June 2020 to let her know the policy had been cancelled due to non-payment. Apparently the email address they held on file was no longer active. But BG said that their terms and conditions explain that it's the customer's responsibility to keep them informed of any changes in contact details. BG noted that the last service visit took place in February 2017. They said they'd sent emails and a follow-up letter reminding Ms T to book the next service. But that Ms T hadn't arranged one. They said they'd done the same thing for the following year's service. But Ms T hadn't arranged that one either. BG noted that as the policy had been cancelled in 2020 no service had been missed for that policy year. BG offered £130 as a goodwill gesture for the two annual boiler services that hadn't taken place.

Ms T remained unhappy and referred her complaint to our service.

Our investigator considered the complaint. He didn't think it should be upheld. He said that BG had shown that they'd tried to contact Ms T about the non-payment. And considered that the terms and conditions had clearly noted that it was Ms T's responsibility to keep BG informed of any changes to her contact details. He didn't think BG had acted unfairly when they'd cancelled the policy for non-payment. He noted that the terms and conditions required one service to be completed each contract year. And although BG had shown that they'd tried to arrange these in the 2018 and 2019 contract years, they hadn't happened. Our investigator felt that BG's goodwill offer of £130 in respect of the two missed annual services was fair under the circumstances.

BG were satisfied with the view. Ms T wasn't. She said that the view failed to consider how BG could continue to take her premiums when they hadn't serviced the boiler. And she continued to state that she hadn't received notification that the account was closed.

Our investigator asked BG for further information. And issued a second view. He still didn't think the complaint should be upheld. He said that a refund wasn't appropriate as the policy had provided cover had Ms T had any issues with her boiler, radiators etc during the time she was on cover. He noted that BG had provided evidence that they'd sent emails and a letter to Ms T about the payments not being collected, and the policy then being cancelled.

Ms T didn't agree. So her complaint has been passed to me for a final decision.

### **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'm not going to uphold it. I know Ms T will be disappointed with this outcome, but I hope my findings go some way in explaining why I've reached this decision.

Ms T has complained that her policy was cancelled without notification. She also said that no service was carried out on her boiler for a lengthy period, despite the policy providing an annual service. She told this service that: *"this lack of checks led to the boiler issues"*. And considers that if BG had checked her boiler it wouldn't have broken down. Ms T told this service she'd like her boiler to be serviced, a refund of the premiums she's paid and a free year of HomeCare. She'd also like compensation for the stress having no heating and hot water has given her.

I'll first consider whether BG acted fairly when they cancelled Ms T's policy.

The terms and conditions of the policy explain when BG can cancel on page 34. This says:

*When we can cancel*

*We can cancel your agreement or product if:*

*...you don't make your payments*

*We'll try writing to you to collect the money you owe. If we don't hear from you and you don't pay, we'll cancel your agreement no less than 30 days after the date we first found out your payment had failed. You may also have to pay cancellation charges – see cancellation charges table.*

From what I've seen, the April 2020 monthly premium payment couldn't be taken. BG emailed Ms T to let her know on 3 and 16 April 2020. And sent a letter on 18 April 2020.

Ms T said that the email address BG held was no longer in use. So she didn't receive the emails telling her the direct debit payments had been missed. BG then wrote to tell Ms T the policy had been cancelled on 12 June 2020. But Ms T said she didn't receive the letter about the policy being cancelled.

The terms and conditions cover contact details under the section *"Your responsibilities"*, on page 27. These state:

*Keeping us up to date*

*It's your responsibility to keep us informed of any changes to your contact details including telephone number, address or email.*

So it was Ms T's responsibility to ensure BG had the correct contact details for her. So it

wouldn't be fair or reasonable for me to hold BG responsible for not having the correct email address on file.

From what I've seen, BG did what they could to alert Ms T to the failed direct debit payment. They then cancelled the policy as the premium hadn't been paid. And they tried to let her know that the policy had been cancelled. I consider that they followed the terms and conditions of the policy. And that they acted fairly and reasonable. So I've no evidence to uphold this part of the complaint.

I'll now consider Ms T's complaint that no service was carried out on her boiler for a lengthy period of time.

Ms T said that no service was carried out on her boiler for a lengthy period of time. And if the boiler had been serviced as it should've been, the boiler wouldn't have broken down. So she holds BG responsible for the boiler breakdown. And the impact that's had on her.

From what I've seen, a service was completed in Ms T's first year of cover. It was completed on 22 January 2017. The service that was due in the policy year which started on 21 November 2017 was missed. As was the one for the policy year starting on 21 November 2018.

BG said that they'd initially sent Ms T a first invitation to book a service on 22 February 2018. But received no response from her. So they sent another invitation to book the annual service on 8 March 2018. Both of these invitations were sent by email, to the address that Ms T has acknowledged she no longer had access to. BG sent a third and final reminder to book the service by letter on 22 March 2018. They received no reply. A similar series of events took place in the policy year starting 21 November 2018. Reminder emails were sent on 6 and 19 January 2019. And a letter was sent on 2 February 2019.

An annual service can take place at any time during the policy year. But no service was ever carried out in either the 21 November 2017, or the 21 November 2018 policy year.

I've seen copies of all of the correspondence referenced. I've also looked at what the terms and conditions say about annual services. They state:

*We'll send you or your authorised contact an email, letter, text message or call you to arrange your annual service. We'll try to contact you up to three times. If we don't hear back from you after the third time or you are not at the property when our engineer visits, we won't try again and won't refund the cost of the missed annual service. You can still contact us at any time to book it. Your annual service may be more, or less, than 12 months after your last service visit.*

Based on what I've seen, I've no evidence that BG did anything wrong here. They contacted Ms T three times in each contract year, in line with the terms and conditions. I also note that the terms and conditions state that if a customer missed an annual service no refund is due. So I consider that BG did more than could've been expected when they offered £130 as a goodwill gesture in respect of the annual services that weren't booked. £130 is based on the cost of the two missed annual services. This cost is listed in the terms and conditions, under the cancellation charges.

I acknowledge that no service took place in the policy year starting 21 November 2019 either. But as the policy was cancelled due to non-payment, BG were under no obligation to provide an annual service. In fact, had one been carried out in that policy year before the policy was cancelled, the terms and conditions allow BG to charge Ms T £65 for such a service.

Ms T also considers that the premiums she paid should be refunded, given the lack of annual services. But I don't agree. As noted above, I don't hold BG responsible for the annual services not being carried out. And I also note that most of the premiums Ms T has paid covers the "insurance" part of the policy, that is the cover BG provided for example if the boiler had broken down while on cover. So I don't consider that it would be fair or reasonable to require BG to refund the premiums Ms T paid.

I'm sorry that Ms T had such a terrible time without hot water and heating. I acknowledge that she feels that the lack of the annual service led to the problems with the boiler. And that she therefore holds BG responsible for the impact those issues had on her. But I've found no evidence that BG have acted unfairly or unreasonably. And I consider that their offer of £130 as a goodwill gesture is fair under the circumstances. And I don't require them to do anything further.

### **My final decision**

For the reasons I explained, I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 11 February 2022.

Jo Occleshaw  
**Ombudsman**