

The complaint

Mr F complained that British Gas Insurance Limited (“British Gas”) provided an unfair settlement under his kitchen appliance cover.

What happened

British Gas inspected a fault on Mr F’s tumble dryer, but British Gas were unable to fix the fault. It said the parts required to fix the dryer had been obsolete for five years or more. Mr F was unhappy as he’d been paying for cover on his dryer for this time, so he wanted this refunded.

To put the situation right, British Gas covered the total cost of a new tumble dryer, in addition to covering the cost of removing the old appliance and installing the new one. British Gas also paid a £60 goodwill payment for the inconvenience.

Our investigator decided not to uphold the complaint. She thought British Gas had been fair, as it provided Mr F with a better outcome than it was required to do as set out in its terms and conditions. Mr F disagreed, so the complaint has been referred to an ombudsman.

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 have checked to understand what British Gas’ obligations were required to do under the policy in the situation that has been described. The terms and conditions state what’s covered:

“A contribution towards a replacement if we can’t repair it or we decide it will cost less to replace than to repair. We’ll source the replacement from our approved supplier and make the following contribution based on their current retail selling price:

*-100% if your appliance is less than three years old
-30% if your appliance is three years old or more”*

The policy sets out that in the situation described, that British Gas is obligated to pay a 30% contribution to a new tumble dryer. As British Gas has provided an outcome for Mr F that is far better than the terms and conditions dictate, I think it has acted fairly in the circumstances of this complaint. So, I don’t uphold this complaint.

I appreciate this maybe frustrating to Mr F, but unfortunately, it wouldn’t be possible or realistic for a company such as British Gas to track the availability of every part, for every appliance that’s insured for its customers. It’s Mr F’s responsibility to make sure the policies he takes out are suitable for him.

Not all parts of the appliance would’ve been obsolete, and these would’ve been available to Mr F under his policy if he’d made a claim and these parts were needed. So, I can’t

reasonably say he hasn't benefited from having the policy in place. Therefore, I don't think it would be fair to ask British Gas to refund the premiums that he's paid.

My final decision

- My final decision is I don't uphold this complaint, I don't require British Gas Insurance Limited to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 24 February 2022.

Pete Averill
Ombudsman