

## **The complaint**

Mr S complains that Homeserve Membership Limited trading as Homeserve haven't given him a 25% discount on his policy that he was entitled to.

## **What happened**

Mr S took out an energy plan with an energy provider in August 2020.

On inception of the energy plan he received a welcome letter offering him a 25% discount on boiler cover with Homeserve.

In November 2020, Mr S rang Homeserve to set up the boiler cover but didn't receive a 25% discount. He was offered a policy at £8.00 per month which he accepted.

In January 2021 Mr S received a reminder from his energy provider that the offer of a 25% discount on boiler cover was still available.

Mr S rang Homeserve to complain that the discount hadn't been applied, but his complaint was rejected so Mr S brought his complaint to us.

One of our investigators has looked into Mr S's complaint and she thought that although they hadn't been aware at the time Mr S rang up that he was eligible for the discount, it could be applied and it would be fair to do so.

Homeserve disagreed with our investigator's view, and so the case has come to me to review.

## **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 am upholding this complaint, and I will explain why below.

As far as I am aware, Mr S was not a previous customer of Homeserve, and the 25% discount incentive was what drew him to make the application for boiler cover.

In the welcome e mail sent to him by his energy provider in August 2020 it says he is entitled to:

*"Access to 25% off Boiler Cover through Homeserve. We'll send you information on how to redeem this by e mail"*

I have listened to the call between Homeserve and Mr S when he took out the policy and although I don't think that the call handler did anything wrong, I do think there are indications that Mr S was intending to take advantage of the discounted policy offer he had been made.

At the beginning of the call Mr S is passed through from another call handler on the basis that he wants to take out boiler cover, and we don't have the recording of that previous call, but there are two indications that the discounted rate may have been discussed then. Firstly, in his complaint form Mr S says, *"I do feel misled after phoning (my energy provider) having to transferee to homeserve and not receiving my 25% discount."* Secondly, during the call when the call handler quotes Mr S £8 per month, he says *"When I first come on they said it was £5."*, which seems to indicate that he had discussed the discounted rate with the first call handler.

I also note at the beginning of the call, Mr S says *"When I took out the (energy provider) tariff I was offered boiler cover. And I'm thinking I might take it up actually"*, which would again indicate that he is acting on an offer he was made.

I accept that Mr S didn't challenge the monthly payment that was quoted to him, but I do think that the above indicates that he was trying to take advantage of an offer that he was entitled to.

It was only when Mr S got the reminder e mail in January that he thought that he might have been misled on the phone about the cost and made a complaint. The reminder letter said, *"Remember with your tariff you've got the option to add discounted boiler cover? Exclusive to your tariff, you can get 25% off boiler cover through Homeserve. For £5.99 a month you can get cover for unexpected and potentially expensive boiler problems."*

In view of the above, whilst I don't think that Homeserve have done anything wrong in the sale of the policy, I don't think that they are acting fairly by refusing to give Mr S the discounted rate retrospectively in the light of what I have said above.

### **Putting things right**

In order to put things right, I think Homeserve should put Mr S back in the position he would have been in if the discount had been applied from the outset. The premiums should be recalculated with a 25% discount and any excess he has paid should be refunded to him, plus 8% simple interest from the date the excess was paid to the date of settlement.

Any remaining period of discount should be applied to the policy.

### **My final decision**

My decision is that I uphold Mr S's complaint against Homeserve Membership Limited trading as Homeserve, and I direct them to put things right as I have detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 March 2022.

Joanne Ward  
**Ombudsman**