

The complaint

Mr W has complained that British Gas Insurance Limited ('British Gas') charged a £60 excess fee when he made a claim under his home care insurance policy.

What happened

Mr W took out a policy online with British Gas in December 2020. During the policy period, he reported an incident and made a claim. A plumber came out and carried out the necessary repair, but British Gas then said that a £60 excess fee was payable as a result.

Mr W complained to British Gas as he felt that the cost of the service should have been free. He said he didn't opt to pay an excess when purchasing the policy. British Gas didn't agree and said that when Mr W' bought the policy online, he selected an option with an excess.

Mr W was unhappy with the outcome and he referred his complaint to this service. Our investigator didn't uphold Mr W's complaint. In her view, the information and documents British Gas issued at the time of purchase made it sufficiently clear that a £60 excess fee would apply.

Our investigator said that the sales questions included the following: - *'Choose your excess - it is the price you pay for each completed repair. The higher the excess you select, the lower the price you pay'*. She noted that two options were available, namely £0 or £60 and that the policy summary confirmed that Mr W had selected to pay a £60 excess. Our investigator didn't think that the British Gas decision to apply the excess was unreasonable.

Mr W remains unhappy with the outcome of his complaint and the matter has been referred to me to make a final decision in my role as 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.

The key question for me to determine is whether it was fair, and reasonable for British Gas to charge a £60 excess fee for a necessary plumbing repair. I've concluded that it was, and I'll explain why. I've looked at the evidence and submissions provided by both Mr W and British Gas in reaching my conclusion.

Turning firstly to what Mr W says, he is adamant that he didn't select a policy option which required payment of an excess. He said that he chose a level of cover which he thought would provide the most comprehensive option of cover. It was his recollection that it didn't involve choosing from a number of different options for paying an excess. He said that he'd read the confirmation letter very carefully but didn't consider that it constituted a part of the terms and conditions of the policy and said that any suggestion that it did would be *'disingenuous dissembling'*. He said that the covering letter didn't refer to the excess in any event. Mr W thought he should be able to rely on the terms and conditions themselves and that those made no reference to any excess applying to the policy.

With regard to the service he received, Mr W said British Gas wouldn't make an appointment unless he gave his credit card details. As it was an emergency, he felt he had no option. He also said that the British Gas complaints process was made extremely difficult as it had *'closed down all email contacts without notice and telephone contacts were almost impossible'*. He also complained that British Gas referred to terms and conditions issued in 2019, although he acknowledged that any differences were probably minor.

In summary, Mr W thought that, having not elected to pay an excess, the terms and conditions on which British Gas relied weren't relevant. He thought that the British Gas arrangements were *'misleading in the extreme'*. Finally, he said that British Gas had been unable to furnish a copy of his actual application or to demonstrate that he'd completed a form in the manner suggested. He said that British Gas have simply said that *he 'would have' completed the form in a particular way and that this was insufficient evidence of a decision to accept a £60 excess. He said: - 'A presumption unsupported by evidence is not a proper basis for reaching a decision.'*

Turning to what British Gas have to say, it considered that its welcome documents did refer to the excess payable as follows; - *'You have HomeCare Four (£60.00 excess)'*. It also referred to an extract from its Product Information Document ('PID') as follows: - *'If you have chosen to pay an excess you will need to pay this for each completed year or replacement.'* It said the policy also stated, under the heading *'Making repairs'* that it referred to the excess or fixed fee as follows; - *'Your statement shows how much excess or fixed fee you've agreed to pay each time we complete a repair or replace your appliance...'*

British Gas said it was unable to provide a copy of Mr W's application filled out however it provided information to show how the automatic on-line system needed to be completed for the relevant policy to have been set up.

It said that Mr W set up his policy with a chosen excess. It said that the excess payment was only debited from Mr W's account once the repair had been completed. British Gas also said that the policy documents confirmed the arrangements and need to be referred to and reviewed to ensure that the policy was suitable for the policy-holder's needs. It said that in viewing Mr W's online account and the British Gas App, both confirmed the excess. It said that Mr W's monthly payments were lower each month as he'd selected the excess option.

As to its complaints service, British Gas said that it was sorry that Mr W was unable to contact British Gas by telephone or by email. It said that it had removed some of its email addresses; - *'in order to streamline and ensure that the correct staff were managing the inbox as there were some that were scarcely or not used.'*

The terms and conditions of Mr W's policy and linked documents provide a starting point for my decision, as they provide evidence of the parties' reasonable expectations at policy inception. As well as the wording of the policy summary, I've noted the wording of the British Gas standard PID and the policy booklet, which are clear.

I must make my final decision having considered what occurred on the balance of probabilities. It's possible that Mr W didn't actively *'select'* the option of paying a £60 excess and that the £60 excess option was offered as the default position. As such it's also possible that the £0 excess option had to be actively clicked to move away from the £60 option. In the absence of an active selection, Mr W may not have noticed or appreciated at the time that the £60 would apply. Having said this, I've seen the format of the computerised on-line function, and I'm satisfied that it clearly shows that two options, albeit that the £60 option may have been a default option. The function also clearly explains what the two options entail. This was also reinforced in the introductory documentation. This would have provided

an opportunity to query the excess charge if there had been any confusion. I'm satisfied however that it would have left the reader in no doubt that an excess charge of £60 would apply.

I appreciate that the £60 charge has been a source of frustration for Mr W. Unfortunately for Mr W however, I can't say that British Gas has acted in an unfair or unreasonable manner.

My final decision

For the reasons given above, I don't uphold Mr W's complaint against British Gas Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 May 2022.

Claire Jones
Ombudsman