

The complaint

Mr W complains that British Gas Insurance Limited gave poor service in connection with a home emergency insurance policy.

Where I refer to British Gas, I refer to the above-named insurance company and I include employees, contractors and others insofar as I hold British Gas responsible for their acts or omissions.

What happened

Mr W has a home with a central heating boiler. From at least mid-December 2019, he had a British Gas Home Care policy that included cover for the boiler. We categorise that as a home emergency insurance policy, although it covers more than emergencies. It also covers an annual service visit.

From mid- December 2020, the policy was renewed for another year.

By a letter to Mr W dated 17 September 2021. British Gas said it was paying him £65.00 because it hadn't done a service in the last year.

Mr W arranged an annual service to take place on 17 November 2021.

In late October 2021, British Gas said it would re-schedule the visit for April 2022. In early November 2021, Mr W complained to British Gas about that. By a final response dated early December 2021, British Gas said it had made an appointment for 28 January 2022 and was compensating Mr W £50.00.

From mid-December 2021, the policy was renewed for another year.

British Gas missed the appointment in January 2022. It arranged a visit for 22 February 2022.

Mr W brought his complaint to us in early February 2022.

A few days before the appointment for 22 February 2022 , British Gas re-scheduled it for 22 April 2022. Mr W complained again and said he had an issue with his boiler.

By a final response dated 18 February 2022, British Gas said it had made an appointment for 24 February 2022 and it was sending Mr W £30.00. British Gas kept that appointment and did a repair and a service.

Our investigator didn't recommend that the complaint should be upheld. She thought that the £65.00 refund for the service and the £50.00 credit for the missed appointment was fair and reasonable.

Mr W disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- British Gas deceitfully advertises insurance which promises an 'annual service'. This is misrepresenting its product for commercial gain.
- The word 'annual' means every twelve months.
- British Gas cannot change a universally accepted term to delay services when it wants to.
- This is clearly misrepresentation for commercial gain i.e. move all contracted annual boiler services to every 18 or 24 months so that they had to carry out fewer boiler services in that period and save themselves money.

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 Financial Ombudsman Service looks into individual consumer complaints about regulated activities of regulated financial firms. Where we uphold a complaint about an unfair act or omission, we try to make sure that the complainant consumer is compensated for the impact on him or her. We don't assess compensation at a level intended to punish or deter unfair acts or omissions. It's not our role to try to put things right for other consumers.

So I will only comment on Mr W's complaint insofar as it is about his own experience and the impact on him.

Under a yearly policy with automatic renewal, the policy year will start on the same day each year. A home boiler service can only take place with an appointment between the consumer and the business. The service is unlikely to be on the same day each year.

An "annual service" could mean a service in the year from 1 January, or from the renewal date, or from the date of the last service. So there is a need to define what "annual" means.

The British Gas policy terms have changed in some respects from time to time. In my view the changes took effect on Mr W from the renewal date following each change. But the British Gas policy terms have, for many years, included terms along the following lines:

"Definitions

annual service

*- a check in each **period of agreement**...*

period of agreement

*- the day your **agreement** starts until your **agreement** runs out..."*

"Annual service...

*Your **annual service** may be more, or less, than 12 months after your last service visit.*

*In periods of local or national high demand for our services (such as cold weather), we prioritise breakdowns and may need to rearrange your **annual service**."*

"Reasonable timescales

*We'll carry out any **repairs** or visits you're entitled to within a reasonable time, unless something beyond our control makes that impossible – in which case we'll let you know as soon as possible and give you another time when we can visit."*

“Cancellation charges

*If you or we cancel your **agreement** or any **products** and we’ve already completed work for you since you bought or renewed them, you may have to pay cancellation charges.*

*The table on the right side of this page shows you the amount you may have to pay..
Annual service £65.00”*

Since about June 2020, the British Gas policy term about reasonable timescales has also included a term as follows:

During epidemics or pandemics, we will adhere to Government guidelines concerning restriction of non-essential travel and may have to reschedule your repair or visit until such time as the restrictions have been eased.”

Mr W hasn’t provided enough detail to show that British Gas misled him when he took out the policy. In any event, each time the policy renewed, British Gas sent him a renewal letter that included an Insurance Product Information Document that made clear (albeit by asterisks and a footnote) that the annual services may be more than 12 months apart.

From its records, I find that British Gas did an annual service in early March 2020.

Mr W didn’t get a service in the policy year from December 2020 to December 2021. British Gas hasn’t sought to argue that its policy terms mean that it didn’t have to do one. Rather, it has offered compensation of £65.00. That’s in line with the value attributed to an annual service in the policy terms. So I find it fair and reasonable.

From about November 2021, Mr W had a bad experience of re-scheduled appointments and a missed appointment.

I keep in mind the policy terms. I also keep in mind the payment of £65.00. So I don’t find it fair and reasonable to direct British Gas to pay Mr W compensation for re-scheduling the appointment from mid-November 2021. British Gas must take responsibility for the missed appointment in January 2022. But I’ve seen weather data from which I find it reasonable that British Gas re-scheduled the appointment on 22 February 2022.

The annual service is often the only visit British Gas will make to a consumer in a year. And I accept that British Gas caused Mr W frustration and a feeling that he wasn’t getting what he was paying for, as well as a concern for the care of his boiler.

But Mr W remained covered for repairs to the boiler. And indeed British Gas made a repair visit and also did the annual service on 24 February 2022.

Overall, I’m satisfied that British Gas paid or gave credit of fair compensation for Mr W. I don’t find it fair and reasonable to direct British Gas to pay or do any more in response to this complaint.

My final decision

For the reasons I’ve explained, my final decision is that I don’t uphold this complaint. I don’t direct British Gas Insurance Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr W to accept or reject my decision before 31 August 2022.

Christopher Gilbert
Ombudsman