

The complaint

X is unhappy with the way British Gas Insurance Limited (British Gas) has dealt with his home care policy.

What happened

X had a home care policy with British Gas which included boiler care. e complained to British Gas about an incorrect email on his account and that he hadn't received his policy renewal documents. He received an acknowledgement dated 23 July 2021 addressed to X and another person with the same surname but a different title. He asked for an explanation as the policy should have been in his name only. British Gas couldn't locate the letter but said that the account was in X's sole name and there were no details for anyone else on his account.

X says that he also had problems accessing his account earlier in 2021 when he telephoned British Gas and was told that the account was not in his name. British Gas haven't been able to comment on what was said during this call as they say they only keep call recordings for 90 days.

X says that he was also told during a telephone conversation that his 2021 renewal documents had been emailed to him, although he hadn't received them. It became apparent that they had been emailed to an address that belonged to someone else and that wasn't being used by X. British Gas said that this was the only email address they held for X and that it was his responsibility to keep them updated with any change of contact details.

X's boiler was serviced by British Gas in April 2021. Later that year X was looking to take out a policy with another provider and an engineer from the new insurer attended to inspect the boiler. He told X that it was corroded and that this would have developed over a number of years. He said it was not fit for use. British Gas attended to examine the boiler and found it beyond repair. X complained to British Gas that the corrosion should have been picked up on his annual service inspections and wants British Gas to pay for a new boiler. British Gas say that there is no evidence that the corrosion was caused by any failure on their part. They did, however, offer X £100 as a gesture of goodwill for any inconvenience caused. X declined this offer.

Following the problems with the boiler, X wrote to British Gas on 22 September 2021 and instructed them not to take any more payments under the policy as he didn't have a working boiler and he didn't think they were providing any service. British Gas carried on collecting the payments. When X complained, British Gas said that X was still getting other benefits under the policy and that he had not actively cancelled the policy. However, they refunded £154.99 which represented payment taken for the central heating part of the policy from 1 August 2021 to 27 October 2021 when the policy was cancelled.

X wasn't happy with British Gas's response and brought his complaint to this service. Our investigator looked into matters but didn't think the complaint should be upheld. He said there was no evidence that British Gas were responsible for the corrosion in the boiler and that as the boiler was over ten years old the policy didn't provide for a replacement. He was

satisfied that X's name was the only name on the policy and that renewal documents had been sent to the only email that British Gas had on its records. He thought that a partial refund of the boiler care part of the policy was fair as X had the benefit of other services under the policy.

X didn't agree but said that he might be prepared to settle for £500 compensation - and asked for his complaint to be considered by an ombudsman.

My provisional decision

I issued a provisional decision on 24 August 2022. I said:

"Contact details and communication

I've seen the letter dated 23 July 2021 from British Gas to X. It is correctly addressed to only X in the name and address section of the letter. However, in the body of the letter it addresses X and another person with the same surname but a different title. It is a letter acknowledging X's complaint. I don't know why British Gas don't have a copy of this letter or how the extra name has come to be added. British Gas have offered no explanation – although I appreciate that X hasn't provided them with a copy of the letter. Looking at British Gas's records I'm satisfied that X's name is the only name on the account. I understand, however, that this mistake has caused X distress as it was one of a number of concerns he has regarding his personal details.

X says that on one occasion early in 2021 he was denied access to his account because he hadn't given the correct name. British Gas haven't commented on this as they no longer have the call recordings. I know that X is concerned that British Gas are not able to provide the call recordings, but I don't think that there is anything unusual or suspicious about this. However, not being able to listen to the phone recordings means that I can't be sure what was said. I'm satisfied, however, that X must have experienced some problems as I think it unlikely he would have complained if he hadn't. Whatever was said, I think British Gas could have done more to check with X following this conversation that all the details they held for him were correct. This clearly wasn't done as issues with X's contact details continued. Apart from their final response letter to X in November 2021, I can't see that they have ever sought to reassure X despite being aware of his obvious concerns.

The problems with contact details also led to X not receiving his August 2021 renewal notice. I've seen a copy of this dated June 2021 so I'm satisfied that it was sent. However, it appears to have been sent to an old email address that was on the account and belonged to someone else. This wasn't changed until July 2021 when X was made aware. British Gas can only send communications to the addresses it holds and there is a responsibility on customers to inform British Gas if their details change. I'm not clear why this didn't happen earlier, but I don't think this was British Gas's fault.

Whilst I don't agree with X that British Gas have acted dishonestly in relation to his account, I do think that the mistakes I've mentioned above and lack of clarification regarding contact details have caused X distress and inconvenience. He has had difficulty accessing his account and has not received correspondence. X has been very upset about the possibility of other names on his account. I can't see any evidence of this, but I don't think British Gas did enough to allay X's fears about this or his other concerns about his account details. I therefore think it fair that British Gas pay X £200 compensation for distress and inconvenience.

Boiler Service

I've looked at British Gas's contact logs showing their attendance under the policy. I can see that they attended on a number of occasions in 2019 when they carried out a service and fitted a new pressure gauge. Their next visit was in April 2021 for a service and the engineer noted that he checked for obvious leaks and that all was ok.

I appreciate that it was only five months later that X was advised his boiler was corroded. However, the boiler was very old and X has not been able to provide a report from the engineer who examined it. Without this I have to rely on information provided by British Gas engineers – and their contact logs show that there were no obvious leaks in April 2021 and the boiler was working ok. The log from September 2021 says that there was a hole in the case but without further evidence I can't say that British Gas were responsible for this. The parts to repair the boiler were no longer available and so a repair was not possible. The terms of the policy don't require British Gas to replace a boiler that is beyond repair and more than ten years old. Whilst I understand that it must have been upsetting for X to suddenly find himself without a working boiler, I don't think that British Gas acted unreasonably in declining to replace the boiler.

Refund of premiums

In X's letter to British Gas dated 22 September 2021 he clearly instructed British Gas not to take any further money from his account. British Gas didn't act on this, and I think they should have. I think it would've been reasonable to expect British Gas to write to X after his boiler broke down explaining his options for cancelling or continuing with his policy. I can't see that they did this. The result was that X was paying for boiler cover that he didn't need. British Gas have now refunded the boiler cover from the start of the new policy on 1 August 2021 and I think this was fair.

British Gas say that X was receiving other benefits under the policy apart from the boiler cover and that they wouldn't refund the full cost. Whilst I accept that X had the benefit of this cover, he didn't make a claim and I think the policy should have been cancelled in full when X instructed British Gas not to take any further payments. X would like a refund from 1 August 2021 but I don't think this would be fair. As I've already mentioned, X had the benefit of the cover from 1 August 2021 and didn't indicate to British Gas that he no longer wanted the cover until September 2021.

I therefore intend to require British Gas to calculate the cost of the premiums paid for the cover, excluding the boiler cover which has already been repaid, from 22 September 2021 to the date of cancellation and refund this sum to X with interest."

Response to my provisional decision

X responded to my provisional decision although most of his comments relate to our investigator's findings. He referred to the history of problems with communication on his account. He didn't accept that the reference to a third party in a letter to him from British Gas was a mistake and thinks British Gas documents have been destroyed. X also referred to ongoing problems with falling water pressure in his boiler over the years and that another gas engineer had told him that the corrosion must have been present for 4-5 years.

British Gas didn't agree that interest should be added to the premium refund. They also said that they have already paid £100 compensation to X.

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've carefully read X's comments following receipt of my provisional decision, but I can't see that he has provided any new information. I would like to reassure X that I've considered all the documentation and points raised by him when making my decision, but I haven't seen anything that persuades me to change my provisional decision.

British Gas say they've already paid £100 to X although my understanding is that X refused this gesture of goodwill. Either way I consider this separate to my award of compensation and did not take it into consideration when arriving at what I consider a fair level of compensation. My decision is that £200 compensation for distress and inconvenience is now to be paid to X.

British Gas haven't provided any reason for not paying interest on the premium refunds. As X was deprived of the value of the premiums, I think it fair for him to receive interest.

Bearing all the above in mind I see no reason to change my provisional decision. My final decision and reasoning therefore remain the same as my provisional decision.

My final decision

I uphold this complaint and require British Gas Insurance Limited to:

- refund the remaining premiums on X's policy from 22 September 2021 to the date of cancellation of the policy;
- pay interest at 8% on the above from the date the premiums were paid to British Gas to the date they are refunded to X; and
- pay X £200 compensation for distress and inconvenience.

If British Gas Insurance Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell X how much it's taken off. It should also give X a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 23 November 2022.

Elizabeth Middleton
Ombudsman