

The complaint

Mr S complains that British Gas Services Limited unfairly added an excess to his policy at renewal.

What happened

Mr S had a British Gas home emergency insurance policy. His policy was due for renewal in April 2022. A few weeks before that, British Gas sent Mr S a renewal quote. Mr S contacted British Gas via its online chat function on 31 March 2022 to discuss the quote.

During the webchat, Mr S asked British Gas to reduce its quote. The online agent was able to do this, Mr S accepted the new quote, and British Gas sent him his new policy documents.

In May 2022, Mr S made an emergency call out under his policy and was charged a £60 excess. He complained to British Gas. He said, in summary:

- British Gas renewed his policy on the same terms as previous years.
- He had a zero excess in previous years.
- The British Gas agent didn't mention the excess during their webchat so it's clear the new quote was with a zero excess.
- He shouldn't have had to pay a £60 excess for the emergency call out.

British Gas told Mr S it could remove the excess from his policy and refund the £60 he paid for the call out, but this would increase his premium. It gave him £20 to apologise for a communication failing when dealing with his complaint.

Mr S didn't accept this and brought his complaint to this service. He wants British Gas to honour the price it quoted, apply a zero excess, and refund the £60 he paid in May 2022.

Our investigator didn't recommend that Mr S's complaint should be upheld. She reviewed a transcript of the webchat and was satisfied there'd been no discussion of the excess. She thought the new excess was clearly set out in the renewal documents and Mr S could have queried this before renewing.

Mr S disagreed with our investigator, so the case was passed to me to make a final decision.

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 reviewed the transcript of the webchat, provided by Mr S. Neither Mr S nor the British Gas agent mentioned the excess. Mr S asked the agent to "*Please confirm cover I will be getting*". The agent told him: "*Discount is applied an email and a letter will be sent within 7 to 10 business days regarding discount applied*". So I'm satisfied there was no discussion of the excess or, importantly, any agreement that it would remain at zero at renewal. I'm also satisfied that the agent told Mr S that details of his cover would be in a letter he'd receive

within two weeks.

British Gas emailed Mr S this letter on 1 April 2022. Page 1 of the letter says: *“You can see how your renewal price has been worked out on page 3. You’ll also find the usual terms and conditions, and a summary of what’s included in your cover.”* Page 3 quotes the renewal price. Highlighted next to this is: *“£60.00 excess”*.

In my opinion, the letter is clear, well set out, and contains the key information about the renewal, including the excess. I appreciate that Mr S says he trusted British Gas so didn’t read this letter. And that he’d had a zero excess in previous years. However, the agent told him details of his cover would be in the letter, so I think it was in Mr S’s interests to read it. I don’t accept that not reading a policy document is a reasonable excuse for not meeting its terms.

British Gas acknowledged that its agent applied an excess to Mr S’s quote to try to reduce it but failed to tell Mr S he’d done this. That wasn’t good practice and the agent should have made it clear to Mr S that he’d added an excess to get a lower quote. However, Mr S would have seen this if he’d read his renewal letter. Mr S says the lack of discussion about the excess means the renewal was to be without excess. I don’t agree.

Finally, British Gas told us that it wouldn’t have offered Mr S such a low quote with a zero excess. I’m satisfied that if Mr S had spotted that an excess had been added to his policy, his quote would have increased. So I think British Gas’ offer to remove the excess and refund the £60 he paid for the emergency call out, but increase his premium as per its initial quote, is fair.

My final decision

My final decision is that I don’t uphold the complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 10 February 2023.

Simon Begley
Ombudsman