

The complaint

The estate of Mr K has complained that British Gas Insurance Limited carried on taking premiums for a HomeCare policy in the late Mr K's name, despite a request to cancel it.

What happened

The late Mr K had a HomeCare policy with British Gas. His estate has said that they contacted British Gas in 2018 following his death, to cancel all policies in his name.

The estate say they noticed at the end of 2021 that a direct debit was still being taken by British Gas from a bank account that was previously in Mr K's name. They complained to British Gas and said that the policy should have been cancelled.

British Gas responded to say that they had no record of a request to cancel. They said they had sent letters about the policy to the registered address, including annual renewals. They also explained that there had been a claim under the policy in 2020. However, they agreed to refund the most recent annual premium of £237.27. Which British Gas now say was a gesture of goodwill.

The estate of Mr K remained unhappy and brought the complaint to our service for an independent review. An Investigator looked into it, but she thought that British Gas had acted fairly. She said that she didn't conclude that British Gas had been made aware of Mr K's passing and the request to cancel the policy, earlier than 2022. She said that the estate of Mr K would have had the benefit of the policy and there was in fact a claim under it in 2020. She therefore felt the refund of one annual premium was fair.

The estate of Mr K responded to say Mr K had other British Gas policies which were cancelled or transferred in 2018 and that shows the same should have happened with this policy. They said that letters may have been sent to the address but that it was rented out and they never got them. They also said that any claim under the policy in 2020, must've been from the tenants. They were also unhappy as they said British Gas had initially agreed to refund all premiums paid since 2018 and admitted fault. Before changing their position.

As no agreement was reached, the case has been passed to me to reach a 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.

The estate of Mr K has said that British Gas were told of Mr K's death and their request to cancel this policy back in 2018. However, British Gas dispute this and there is no further evidence of such a request.

The estate of Mr K has said that separate policies (that were also in Mr K's name) were transferred or cancelled at this time. They say this shows they made the request and that British Gas were aware of Mr K's death. However, the evidence I have is of one other policy

and this shows that it wasn't transferred out of Mr K's name until 2020. British Gas have also said that this wouldn't apply to all policies as it was a separate department, who wouldn't have access to HomeCare policies or be able to amend them. I think this is reasonable.

British Gas also sent letters including annual renewals, to the registered address. I appreciate that the estate of Mr K, says that tenants were living in the property and so they never got any of these letters. However, I can't hold that against British Gas and I find it reasonable to expect the estate to have access and read this post, as well identifying a direct debit payment to British Gas sooner than four years after Mr K's death.

Further to this point, there was a complaint raised regarding this policy in December 2019 and a response sent in the post. The estate has said this will have been made by the tenant and as with all post regarding the policy, they weren't aware. However, I have seen a text message that was sent to one of the executors in December 2019 and mentions this policy and the complaint that had been raised.

The estate has also had the benefit of this cover. The address was covered and in fact a claim was made under this policy for that address in 2020. Whilst it may have been made by the tenants, it remains that there was a benefit of the policy in covering the property, and we would expect British Gas to honour a legitimate claim for the period of cover. The estate has also said that they first raised the complaint in December 2021 and were told it was being upheld and all premiums refunded. However, I haven't been provided with any further evidence of this. All communication I have seen is from early 2022 and I haven't seen anything which states that a full refund was promised.

In summary, I can't fairly conclude that British Gas were asked to cancel this policy in 2018 or should've been aware at that time that there wasn't a need for this policy. The estate of Mr K was receiving letters and paying regular direct debits for the policy, so I would've expected them to let the business know if there was an issue sooner. Further, there has been a benefit from the policy, as seen by a successful claim under it in 2020. British Gas have refunded the last annual premium paid, which is more than I would've asked them to do.

My final decision

My final decision, for the reasons set out above, is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr K to accept or reject my decision before 20 February 2023.

Yoni Smith
Ombudsman