

The complaint

Mrs F complains that British Gas Services Limited failed to cancel her HomeCare policy and continued to deduct premiums from her bank account.

What happened

- In 2022, Mrs F received an email from British Gas notifying her that an engineer was on their way to her rental property to service the boiler under her HomeCare policy.
- Mrs F was confused as she believed she'd cancelled the policy back in December 2020 and she'd taken out cover elsewhere from that point. She discovered the policy had remained in place and British Gas had continued to take policy premiums from her account.
- Mrs F raised a complaint which she brought to our Service. Our Investigator didn't think Mrs F had made a specific request to cancel her policy but as she'd provided evidence of taking out cover elsewhere, he felt it was fair for British Gas to refund the policy premiums from December 2020, minus the costs of any engineer's visits made during that time.
- Mrs F didn't agree with our Investigator. She said she'd received no benefit from the engineer's visit to service her boiler as her other policy had already provided for this, and she'd seen no evidence that the visit took place. She said British Gas had incorrectly sent the policy renewal documents to her rental property, rather than her home address, so she wasn't aware that the policy remained in place.
- British Gas responded to say it had already refunded the policy premiums from March 2022 to October 2022, amounting to £180.53. It then made an additional offer of £262.73 for the remaining premiums from December 2020 to February 2022, minus £65 for the cost of the annual service.
- Mrs F argues that these calculations are incorrect.
- Mrs F raised a further complaint about the length of time it took British Gas to consider her initial complaint. British Gas offered £40 compensation by way of an apology.
- As Mrs F hasn't accepted our Investigators findings or British Gas' offer, the complaint has been passed to me to decide.

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.

- Mrs F has provided screenshots of an email exchange with British Gas in December 2020, which shows the following conversation:

BG: *"Thank you for your recent online application for a new HomeCare Agreement. As you currently have an active product with the same features as those in your application we have not taken any action. If you wish to discuss this matter further please call xxx."*

Mrs F: *"I contacted British Gas and they told me the insurance was up on the 11th December so I waited until then to do this. I tried several times but it just said there was a fault at your end. I got fed up of trying and went with another company."*

- I'm not persuaded this email gives British Gas instructions to cancel the policy, and I haven't been provided with any other evidence to show me that Mrs F asked British Gas to do so. But I do think it's clear Mrs F was under the impression that her policy had lapsed and that she'd taken out a policy elsewhere, and this should've prompted British Gas to engage further and provide more clarification. I can't see that it went back to Mrs F following her email. But likewise, I can't see that Mrs F chased this up.
- Mrs F has provided evidence of an alternative policy which she took out a few days before the email exchange above – which I'm satisfied confirms that she thought her policy had ended.
- Mrs F says she had no reason to suspect the policy was still in place because she didn't receive any letters or policy documents from British Gas and I understand this had been sent to the risk address, rather than her home address, and her tenants hadn't passed on the correspondence. Whilst I appreciate this was the case, I'm mindful that the policy premium was deducted from Mrs F's bank account monthly which itself ought reasonably to have highlighted to her that the policy was still in place.
- Taking everything into account, I'm persuaded that it's fair and reasonable in the circumstances of this complaint for British Gas to refund the policy premiums from December 2020 until the policy was cancelled in 2022 – and I'm pleased to see that British Gas has already offered to do so, (albeit minus the cost of the annual service).
- I think it's fair that British Gas has retained £65 toward the cost of the service. I appreciate Mrs F says she didn't benefit from this work because her new policy had already provided a boiler service. But I can't hold British Gas solely responsible for her policy remaining in place – because, as I've explained above, I haven't seen evidence that she cancelled the policy – so I think it's fair for it to recover its costs for the works carried out. British Gas has provided me with evidence that this service took place.
- British Gas has provided its calculations which show Mrs F paid premiums amounting to £534.05 between December 2020 and October 2022. When the cost of the service is deducted, this leaves £469.05 to be refunded. As such, there is a discrepancy of £25.79 when British Gas' offers are deducted. British Gas has confirmed it will issue a cheque to Mrs F for this amount.
- British Gas has also offered £40 compensation as an apology for the way it handled Mrs F's complaint. I'm satisfied this is fair taking into account the amount of time it took to resolve things and the impact this would've had.

My final decision

For the reasons I've explained, I'm upholding the complaint and directing British Gas Services Limited to:

- refund the policy premiums from December 2020 to October 2022, minus £65 for the annual service, which amount to £469.05.
- pay £40 compensation.

If British Gas Services Limited has already paid any part of this offer, it can deduct that amount from its final payment to Mrs F.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 26 July 2023.

Sheryl Sibley
Ombudsman