

The complaint

Mr J has complained that British Gas Insurance Limited (British Gas) charged for a boiler service following the expiry of a home emergency policy.

What happened

Mr J had a home emergency policy with British Gas. He decided not to renew the policy. Mr J booked a boiler service with British Gas, which was carried out. British Gas then charged Mr J a cancellation fee, which was the equivalent cost of a completed boiler service, because he hadn't made the payment for the cover to be in place when the boiler service was completed.

Mr J complained to British Gas because he said he didn't know he would be charged a cancellation fee for the boiler service. When British Gas replied it said the boiler service had been booked and carried out after the policy had expired. Services had been carried out in previous policy years and so the policy cancellation charges applied for the most recent boiler service completed.

So, Mr J complained to this service. Our investigator didn't uphold the complaint. She said it was reasonable for British Gas to carry out the service on the understanding that the policy would be renewed and the payment was due. When the policy wasn't renewed it was reasonable for British Gas to apply a charge.

As Mr J didn't agree, the complaint was referred to me.

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.

Having done so, I don't uphold this complaint. I will explain why.

Mr J had a HomeCare policy with British Gas. British Gas carried out the previous annual boiler services in October 2020 and November 2021. This meant boiler services were carried out in each of those policy years. Mr J was sent renewal documents, but he decided not to renew the policy. The policy expired at the beginning of September 2022. A few days later, Mr J went online and booked a boiler service, which was carried out shortly after.

When Mr J didn't then pay to renew his policy, British Gas wrote to him to say the policy had been cancelled because it hadn't received a payment. It also sent him an invoice for a £65 cancellation fee, which was the cost of a boiler service by British Gas. Mr J said he shouldn't have to pay the cancellation fee because British Gas had told him the boiler service was due. He said he was under the impression it was free of charge and he wasn't under a contract at the time of the service, so the policy terms and conditions didn't apply.

I've thought about this. British Gas wrote to tell Mr J the policy was due to renew. He chose not to renew it. When the boiler service was booked and took place, Mr J knew he didn't

have cover in place with British Gas. I also think it's reasonable to expect that he knew the previous boiler services had taken place under the policy.

The boiler service was booked online by Mr J and was completed within the 14-day cooling-off period described in the renewal notice. So, I think it was reasonable for British Gas to carry out the service on the basis that it understood Mr J was going to renew the policy. When British Gas didn't receive the policy renewal payment it charged a cancellation fee of £65. British Gas' fees were based on the type of work completed. Its charge for a completed annual service was £65. I haven't seen anything that persuades me British Gas indicated to Mr J that it would carry out a boiler service on any basis other than there being a HomeCare policy in place at the time.

Mr J has said his main concern was that other people, including those who are vulnerable, could make a similar error. He wanted British Gas to review their processes and make the boiler service invitation clearer to others. My role is to look at individual complaints. I'm unable to tell British Gas how it should operate. So, I have no comment to make on this.

Based on everything I've seen, I don't uphold this complaint or require British Gas to do anything further.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 3 January 2024.

Louise O'Sullivan
Ombudsman