

## **The complaint**

Mr J complains about the service he's received from British Gas Insurance Limited (British Gas) in relation to his Homecare policy.

## **What happened**

Mr J had a British Gas Homecare policy. This covered, amongst other things, plumbing, drainage and electrical issues and it also included an annual service for Mr J's boiler.

Mr J complained that British Gas didn't service his boiler and didn't contact him about it either. Mr J asked British Gas to refund the premiums charged for two years of policy cover, along with cancelling his policy without charges.

British Gas responded to Mr J's complaint and said they'd sent him reminders to book the annual service, but as a gesture of goodwill, they said they'd refund £130, which was the cost of two services that weren't carried out. But British Gas said the cancellation charges would remain payable, as Mr J had made use of the policy and benefitted from it.

However, in error the cheque for £130 was sent to an incorrect address. Whilst British Gas' position on the cancellation charges remained the same, they reissued the £130 cheque, along with a further £70 compensation.

As Mr J remained unhappy, he approached the Financial Ombudsman Service.

One of our investigators looked into things but she didn't recommend British Gas do anything further. She said that British Gas had sent reminders to Mr J for the annual service, and she couldn't hold them responsible if Mr J didn't receive the reminders. But in any event, British Gas had refunded the costs of two annual services, and she thought that was fair. She also said that Mr J had benefitted from the policy, so she didn't recommend a refund of premiums be provided.

Mr J didn't agree so the case was passed to me for 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.

Having done so, whilst I appreciate it'll come as a disappointment to Mr J, I've reached the same overall outcome as our investigator.

Mr J has asked for a full refund of premiums for two years of policy cover, totalling around £1,800, as British Gas didn't carry out annual services on his boiler. Mr J says he's paid for a policy and service which British Gas didn't provide.

Mr J says that British Gas didn't contact him to remind him to arrange the annual service, but British Gas has confirmed that they sent multiple reminders. Mr J says he didn't receive

these and they likely went into his junk mailbox, but I can't hold British Gas responsible for this if Mr J's email provider diverted the emails into a junk mailbox. I recognise Mr J said he wanted postal reminders, and they were emailed instead. But the policy terms also outline that it is the responsibility of the policyholder to arrange the annual service and given Mr J had the policy for a number of years, was sent renewal documents and had previous annual services, he could have contacted British Gas to query this if he thought it was overdue.

British Gas has confirmed that annual services weren't carried out in 2021 more widely due to Covid restrictions and I don't think that was unreasonable. But regardless of the responsibility being Mr J's to arrange the annual service, British Gas has refunded the cost of two services that weren't carried out totalling £130. I think that was fair and reasonable in the circumstances.

Whilst I recognise Mr J's strength of feelings that he feels he's paid for a policy and service that British Gas didn't provide, the annual boiler service was just one small part of his policy cover. It isn't the sole cover provided under the policy, and he wasn't paying around £900 per year solely for an annual boiler service. Instead, along with an annual service, the policy included insurance cover for emergency breakdowns and repairs of:

- The boiler and controls
- Central heating
- Plumbing and drains
- Home electrics
- Unlimited breakdown callouts and boiler claims

And whilst some annual services weren't carried out – which British Gas has refunded the cost of, Mr J has made use of the wider policy cover by making claims for boiler issues, plumbing and drainage issues and the fitting of an alarm.

So, I can't agree that Mr J has paid for a policy and service that he didn't receive, as clearly he has benefitted from the policy cover when making multiple claims under it. Therefore, I won't be directing British Gas to refund the policy premiums Mr J has paid on the basis that boiler services weren't carried out at points – which British Gas has already refunded the cost of.

I do recognise that Mr J didn't initially receive the original £130 refund for the annual services, as in error the cheque was sent to an incorrect address. However, once British Gas was aware of this, they apologised, and reissued the cheque, with a further £70 compensation. I think that was fair and reasonable, and I won't be directing British Gas to increase this amount.

Mr J has also complained that when wanting to cancel the policy, British Gas has charged a cancellation fee. He says that British Gas have dragged his complaints out, which has meant he's been unable to exit the policy cleanly without charge. However, I don't agree.

Firstly, as explained by our investigator, British Gas has eight weeks in which to respond to complaints, as set by the regulator, the Financial Conduct Authority. Although Mr J had complaints with British Gas, he still could have cancelled the policy at any time he wished to regardless of the complaints.

But the fact here is that Mr J made claims under the policy, and that's why he's being charged what he is for the cancellation of the policy. The policy terms and conditions outline that if the policy is cancelled after the initial 14-day cooling off period, and claims have been made, then the full policy premium for the year would be due.

So regardless of when Mr J cancelled the policy, if it was outside the 14-days and claims had been made, he still would have had to pay for the policy in line with the terms and conditions. And Mr J continued to make use of the policy in the 2024 to 2025 policy year. If it was Mr J's intention to cancel the cover, without incurring cancellation charges, he could have done this. Instead, despite being unhappy with British Gas, and allegedly not wanting the policy and wanting to cancel it, Mr J still continued to make claims under it.

So, Mr J benefitted from the policy cover by making claims, and in line with the terms and conditions, a cancellation charge is therefore payable. Consequently, I don't think British Gas has acted unfairly by applying this, and I won't be directing them to waive it.

I recognise that Mr J mentioned in communication with this service that when British Gas visited for one of the claims in 2022, there was damage caused which was left by them. Mr J says this is an example of the overall poor service he's received from British Gas. However, this wasn't part of the recent complaint raised with British Gas by Mr J or addressed by them in their recent final responses. Therefore, if Mr J is unhappy with how British Gas handled a previous claim from 2022, he'd need to raise this as a separate complaint with them in the first instance.

### **My final decision**

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 11 December 2024.

Callum Milne  
**Ombudsman**