

The complaint

Mr T complains that British Gas Services Limited gave him incorrect information about his entitlement to an annual service under his home emergency policy. He's also unhappy about the customer service he received from British Gas.

What happened

In July 2023, Mr T phoned British Gas to discuss renewing his home emergency policy. Mr T asked if an annual service for his boiler was included in the policy. British Gas told him it was included and booked a service visit for Mr T under the existing policy. Mr T was told he would also be able to book an annual service under the 2023/24 policy.

In July 2024, Mr T telephoned British Gas to discuss the price he'd been quoted to renew the policy again. British Gas said it wouldn't be able to reduce the amount he'd been quoted. After Mr T asked if he could book in his annual service, the call handler told him he didn't have annual service cover. He said the policy was for breakdown only and there would be an additional charge if Mr T wanted to add an annual service.

Mr T was unhappy to be told this after he'd previously been advised the annual service was included. So, he raised a complaint.

British Gas apologised that Mr T had been misinformed that an annual service was part of the policy in 2023. It said an annual service was never part of Mr T's policies and one was completed incorrectly free of charge in July 2023. It also apologised that Mr T's complaint had been closed without being fully investigated.

British Gas offered Mr T £60 to compensate him for poor service and subsequently sent him a cheque for £65.

Mr T remained unhappy and brought his complaint to the Financial Ombudsman Service. He said he'd renewed the policy based on the verbal confirmation of the boiler service British Gas had given him. He felt British Gas should honour what it had told him.

I issued a provisional decision on 2 May 2025 where I explained why I intended to uphold Mr T's complaint. In that decision I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Based on what I've seen so far, I intend to uphold Mr T's complaint. I'll explain why.

British Gas was required to communicate information to Mr T in a way which was clear, fair and not misleading.

British Gas says Mr T had home emergency insurance with it for several years. But prior to 2023, his policies were free except for one year where the annual premium was £24.

Mr T was quoted a renewal price of £150.12 in documents that were sent to him in 2023. British Gas says it no longer has a recording of the call that took place in July 2023, where

Mr T phoned to discuss the renewal quote. So, I've relied on the notes British Gas made about the call when investigating Mr T's complaint, along with Mr T's recollection of what was said.

According to British Gas's notes, Mr T asked if the price he'd been quoted was the best British Gas could offer. The agent offered Mr T a new price of £127.60. Mr T asked if a service was included, and the agent confirmed it was. Mr T decided to proceed with the cover. According to the notes, the agent told Mr T there was no annual service showing on the actual policy, but it was included in the product Mr T had taken out. Mr T asked if the annual service he wanted to book would be on the 2022-23 policy. The agent confirmed the annual service visit he was booking would be from the 2022-23 policy and the next annual service visit would be for the 2023-24 policy. An annual service visit was scheduled for a couple of days later.

British Gas has provided screenshots to show that the policies Mr T took out for 2022-23 and 2023-24 didn't include an annual service. It says the renewal documents Mr T was sent also showed that he wasn't entitled to an annual service. The annual service visit completed in July 2023 shouldn't have been booked. This was an error by the agent.

Having reviewed the information British Gas has provided, I'm satisfied that Mr T's policies didn't include an annual service and he was given the wrong information by the agent in 2023.

I appreciate the renewal documents Mr T was sent indicate he wasn't entitled to an annual service. But Mr T specifically asked if this was included in the call in July 2023, so I think this was important to him. And I think he would have placed more weight on what he was told over the telephone than what was showing on the documents, particularly as the British Gas agent appears to have told him he was entitled to an annual service despite it not showing on the actual policy.

Mr T says if British Gas had told him he wasn't entitled to an annual service in 2023, he wouldn't have gone ahead with the renewal. Given that the cost of the policy in 2023 was significantly higher than any premium Mr T had paid in previous years, I'm persuaded by what Mr T has said. I think it's likely that he would have decided not to go ahead with the renewal for the 2023-24 policy if British Gas had given him accurate information. So, to put things right, I think British Gas should reimburse Mr T the cost of this policy and add statutory interest to compensate him for being deprived of the funds.

Mr T has also raised concerns about the customer service he received from British Gas in 2024. He says he wasn't happy with the call handler's tone and felt 'fobbed off' in one of the calls. In another call, he felt the call handler was unprofessional and was refusing to log a complaint. Mr T says he was under the impression his previous complaint wasn't investigated as he hadn't received a final response letter.

British Gas has only provided one telephone recording which was the first call Mr T made in 2024. So, I haven't been able to listen to the other calls. However, British Gas has paid Mr T £65 and I think this is sufficient to compensate him for the poor customer service he experienced in 2024. I've also kept in mind that Mr T benefited from an annual service he wasn't entitled to under the policy due to British Gas's error. So, I'm not minded to award any additional compensation for distress and inconvenience."

I set out what I intended to direct British Gas to do to put things right. And I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses

Mr T said he had no further comments.

British Gas said it had managed to locate the initial call Mr T had with its agent in July 2023 and provided the recording. It questioned why Mr T thought the policy included an annual service. It said Mr T gave the impression to its agent that an annual service visit had always been included. It questioned why Mr T hadn't contacted British Gas in 2021 or 2022 to book an appointment if he thought it was included.

British Gas acknowledged its agent had made a mistake when he told Mr T the annual service was included. It said it had provided Mr T with his renewal documents each year and he would have seen what was included in the policy. It didn't agree it should reimburse Mr T the renewal cost of £127.60. It had apologised for its mistake and Mr T had a free annual service at a cost of £65 to British Gas, as well as compensation of £65. It felt £130 was more than fair for the small error its agent had made.

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 listened to the call recording, I don't agree that Mr T gave the agent the impression he thought the policy included an annual service.

Mr T asked the agent if the cover included a service on the boiler and he said it did. Mr T then said he was happy to proceed with the renewal at the price the agent had quoted. When the agent tried to book the service, he said he was going to look to see when the last annual service was. Mr T said he didn't think he'd had one. He was never told that it was part of the cover.

The British Gas agent said he was struggling to book in the service. He said the guidance notes suggested a service was available with the product Mr T had taken out, but he would confirm and call Mr T back. According to British Gas's notes, the agent called Mr T back and the service was booked in.

I appreciate British Gas feels Mr T has already received sufficient compensation for its agents' error. However, Mr T made the decision to renew the policy after he was told it included the annual service. In previous years, the policy had been free or a very low price. So, I'm persuaded that Mr T wouldn't have gone ahead with the renewal if the British Gas agent had given him the correct information about the service.

This means that Mr T incurred a financial loss due to the policy being mis-sold to him, which is separate to the compensation British Gas has paid him for poor customer service. So, I think it would be fair for British Gas to put things right as I'd set out in my provisional decision.

Putting things right

British Gas should:

- Reimburse Mr T for the premium he paid for the 2023-24 policy year and
- Add interest to the above at 8% simple per year* from the date(s) Mr T paid the premium until the date the payment is made.

*If British Gas considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr T how much it's taken off. It should also give Mr T a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons I've explained, I uphold Mr T's complaint and direct British Gas Services Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 17 June 2025.

Anne Muscroft

Ombudsman