

complaint

Mr D has complained that British Gas Insurance Limited (British Gas) mis-sold him his home emergency insurance policy.

background

In January 2017 Mr D returned home to smell gas within his house. Mr D called British Gas for assistance.

During the first telephone call Mr D told British Gas that he thought his young child had turned the gas cooker on, and it had remained on as his wife had no sense of smell. He told British Gas he'd like the gas cooker disconnected as it hadn't been used since he and his family moved in.

British Gas told Mr D that this wasn't covered by the policy, and quoted him £67 to disconnect the cooker. Mr D didn't agree to this, and found a local engineer to do it for £20.

Mr D called British Gas again the same evening and spoke to someone different. At this point Mr D said that he'd turned off the gas but was worried that there was a leak. The agent told Mr D he'd need to speak to another company and transferred him through.

Mr D complained as he feels he pays a lot of money for his insurance policy and that everything should be covered. British Gas said to Mr D that the insurance product he'd chosen didn't cover gas appliances. That's why he was quoted £67 for one of their engineers to attend and disconnect the cooker. However, they did accept that more questions could've been asked by their agent during the first call to determine the cause of the leak. They sent Mr D a cheque for £50 as a gesture of goodwill. And they cancelled his policy from the day he requested this and refunded him the balance of his direct debit payment for that month.

Mr D remained unhappy and brought his complaint to us. Our investigator didn't think British Gas had done anything wrong. She said that the letters British Gas sent Mr D, along with the terms and conditions of the policy made it clear that gas appliances weren't covered.

Mr D didn't agree and asked for an ombudsman's decision.

my findings

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'm not going to uphold it and I'll explain why.

Mr D bought his policy in August 2015, and renewed it in August 2016. Neither the letter he received in 2015 nor the renewal letter he received the following year said that gas appliances were covered.

Mr D has told our service that he thinks the policy was mis-sold to him, and that gas appliances should be covered. British Gas have said that Mr D purchased his policy online in August 2015 and provided documents in support. Mr D hasn't denied this. So the sale of the policy was not an advised one.

They've also provided screenshots to show what Mr D would've seen when choosing what insurance policy to go for. And, from what I've seen, the website shows clearly what is included under each cover. Gas appliances are not shown for the policy Mr D chose to buy so, I think, he would've known that this wasn't covered when he selected this policy.

Mr D has said that he never received a booklet at the inception of the policy, and he finds the terms and conditions – which he found online - long winded. But I think the information shown to Mr D when he purchased the policy and renewed it the following year is clear in showing what is and isn't covered. Mr D has said that he chose the best product so he expected everything to be included. But insurance policies only cover certain events, and in this case it was for Mr D to make sure the policy he's choosing is suitable for his needs.

The policy terms and conditions clearly state what's covered and also what isn't covered. And, from what I've seen, this was also clear on the website which is where Mr D bought the policy from. For these reasons, I don't think that the policy has been mis-sold.

I understand Mr D's strength of feeling about this, and I'm sure he was extremely anxious when realising his gas cooker had been turned on. But I think it was fair for British Gas to not provide cover for something that was specifically excluded under the terms and conditions of the policy. And because I don't think British Gas mis-sold the policy I don't think it has to refund Mr D his premiums.

Mr D said British Gas should compensate him for the distress he suffered because they didn't redirect him immediately to another company to investigate the potential leak. Having listened to the calls between Mr D and the British Gas agents, during the first call Mr D said the gas had escaped because his child had turned the cooker on. And he confirmed that the gas supply had been turned off. It wasn't until the second call that Mr D said that there was a potential leak. It was then that British Gas put him through to another company. British Gas have accepted they could've asked more questions about the cause of the smell during the first call and offered Mr D £50 as a goodwill gesture. I think this is reasonable in these circumstances and I won't ask them to pay Mr D further compensation.

Mr D also wanted his policy cancelled and a full refund of all his premiums. But as I don't think that the policy has been mis-sold I don't think all the premiums paid by Mr D should be refunded. Mr D cancelled the policy after the 14 day cooling off period had expired. The policy terms say that the policy will be cancelled at the end of the period that the last payment was for. And as Mr D made a payment of £34.25 on 1 January 2017, British Gas could've cancelled the policy on 31 January and not refunded anything. But they've cancelled the policy from 2 January 2017, the date of Mr D's initial request. And they've refunded him £32.04, meaning that they've charged £2.21 for the two days cover that was held in January. I think this is reasonable as they weren't obliged to do this, and could've told Mr D that the policy couldn't be cancelled until the end of January.

my final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 31 August 2017.

Kevin Parmenter
ombudsman