

complaint

Mr A complains that British Gas Insurance Limited does not carry out annual services every 12 months, and is therefore in breach of its agreement with him under a HomeCare insurance policy.

background

Mr A's policy year ran from 11 September to 10 September each year.

For the policy year 2010 to 2011 Mr A's annual service was completed on 29 November 2010. For the policy year 2011 to 2012 Mr A's annual service was completed on 2 November 2011.

Mr A's annual service for the policy year 2012 to 2013 was not completed, as Mr A cancelled his policy within the policy year.

Mr A complained to British Gas that an annual service had not been completed every 12 months, and he therefore considered that British Gas had breached its agreement with him. British Gas offered to refund Mr A's policy premiums for the policy year 2012 to 2013. Mr A declined this offer as he considered that a refund in premiums since September 2011 should be paid.

British Gas also offered to ensure future annual services were scheduled to be carried out in September, rather than November each year, so that these would occur within 12 months of each other, however Mr A declined this and he cancelled the policy.

Our adjudicator was of the opinion that this complaint should not be upheld. She considered that British Gas had fulfilled its obligations under the terms and conditions of the policy, as annual services had been carried out in each policy year.

Mr A referred to terms and conditions he received from British Gas in 1988. Our adjudicator explained that British Gas sends policy renewal documents and updated terms and conditions each year, therefore making the policy terms and conditions issued in 2011 the relevant ones in respect of this complaint.

As our adjudicator was unable to resolve the matter, the complaint has been referred to me for a final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The terms and conditions of Mr A's policy with British Gas state:

Section 4:

"Annual Service: for Agreements that include an Annual Service, mean a visit we undertake in each Period of Agreement to check the elements included in your Agreement are in safe and good working order".

Section 5.19:

“Annual Service

We will normally complete your Annual Service around twelve months from the date of your last Annual Service. In periods of high demand for our services (such as cold weather), we prioritise breakdowns and may need to rearrange your Annual Service visit”.

Mr A has said that he believes that British Gas breached its agreement as his annual services have not been completed every 12 months. While this is the case, as no annual service was completed in November 2012 (and the preceding one was on 2 November 2011), British Gas' policy terms and conditions do not oblige it to complete an annual service precisely within every 12 months. While British Gas aims to carry out annual services every 12 months, it is only obliged to complete an annual service within each policy year. In this case, British Gas has acted in accordance with its policy terms and conditions as annual services have been completed within each policy year. As a result, I do not consider that British Gas breached its agreement in this regard.

Mr A has said that he needed to have annual services carried out in order to comply with building insurance requirements under his lease, and he has provided a letter which supports that. I appreciate his concern to ensure that he was not in breach of any obligations under that other insurance or his tenancy. However, there is no evidence that Mr A passed this information on to British Gas, in order to attempt to co-ordinate the time frames. Nor have I seen evidence that he has suffered any detriment in this regard as a result of the periods between the previous annual services conducted by British Gas.

As Mr A cancelled his policy with British Gas in February 2013, I do not consider it unreasonable that an annual service for the policy year 2012 to 2013 has not been completed. Had the policy remained in place, British Gas would have been able to carry out an annual service at any point between 11 September 2012 and 10 September 2013.

I am satisfied that British Gas has fulfilled its obligations under the policy to carry out annual services and I therefore cannot fairly recommend that British Gas refund Mr A's premiums since 2011. In addition, during that period Mr A has had the benefit of the cover for other services such as breakdown and repairs as well as for annual services.

In the circumstances, I consider British Gas' offer to refund Mr A's premiums for the policy year 2012 to 2012 to the value of £76.18 to be fair and reasonable.

my final decision

For the reasons above, it is my final decision that I do not uphold this complaint.

I make no award against British Gas Insurance Limited, other than that it should now ensure Mr A is paid the offered premium refund of £76.18.

Helen Moye
ombudsman