

complaint

Miss M is unhappy with the service provided by British Gas Insurance Limited in relation to her home care insurance policy.

background

Miss M's partner has been added to the insurance account as a named contact, and has been heavily involved in this matter. But as he isn't the policyholder I've largely just referred to Miss M in this decision. Miss M's partner might be eligible to bring certain complaints to this service, but I don't consider he is eligible in this case. This point is largely administrative in this case though, as Miss M is eligible to bring, and is a party to, this complaint.

For clarity I should also add that Miss M has, along with her partner, brought a separate complaint to this service about previous works carried out under her British Gas policy and related issues. But these issues are not directly related to this current complaint, and this service is considering at these points separately.

I will start by setting out the main events involved with this complaint. This is not intended to be an exhaustive timeline however.

In mid-November 2018, Miss M contacted British Gas to amend her cover. She took out the Plumbing & Drains Cover (PAD) and Home Electrical Cover (HEC).

Although Miss M had apparently asked to receive all documents by post, the letter she received only provided an internet link to her new policy documents. She called British Gas on 24 November 2018 and raised concerns about this. British Gas offered to post the documents, but Miss M decided to amend her cover a second time, removing the PAD.

Payments for Miss M's cover were due to come out on the 28th of each month. However, the first payment was scheduled for 30 November 2018. This caused some further concerns to be raised in the call. As did the fact that Miss M wasn't given clear information about whether she would be charged anything for the cancelled PAD. A complaint was raised about these points, and Miss M asked for a refund of the premium paid for the PAD, £50 in compensation, and for her documents to be resent by post.

The direct debit that had been previously set up to pay the premiums for the policy was cancelled on 27 November 2018.

British Gas responded to the complaint points above on 31 December 2018. It said it had also tried to call Miss M on a number of occasions, but that these attempts hadn't been successful.

British Gas apologised for not having sent the policy documents in the post, and for not giving clear information about the cancellation costs. British Gas offered Miss M £60 in compensation for these issues.

British Gas also explained that, as the direct debit had been cancelled, the policy had lapsed. It asked Miss M to contact British Gas if she either wanted the policy reinstated or cancelled. But that as no payment had been collected, no refund was due.

Prior to this letter from British Gas, Miss M had also written on several occasions to express dissatisfaction with the lack of communications she was receiving, including that she hadn't received an acknowledgment of her complaint within seven days. And that when she'd sent an email to British Gas, the automated response said British Gas would endeavour to resolve the enquiry within three days, but that this hadn't happened. In these correspondence Miss M referred to her original complaint as relating to breaches of the Disability Discrimination Act 1995.

Miss M responded to British Gas' letter of 31 December 2018, saying that her complaint had not been answered in full. She stated she had not cancelled the policy, had not received any missed calls or other communication from British Gas prior to this letter, and that the letter did not address the "*issue of British Gas breaching the Disability Discrimination Act 1995*".

A duplicate complaint had also been set up by British Gas. And when it was closed a letter confirming the closure was sent to Miss M, which caused further confusion.

At this point, Miss M brought her complaint to this service. However, she then raised further issues with British Gas. She said payments had been taken, so the policy should not be cancelled. And that she still had not received the policy documents in the correct format.

British Gas responded to this, saying that the direct debit had been cancelled and that no payments had been taken. But that the policy had at that stage only lapsed, though it would be automatically cancelled in due course unless the required payments were made.

Miss M's partner had also called British Gas to dispute that the direct debit has been cancelled by Miss M. British Gas informed him that if this was reinstated, it could take the required payments and the policy would also be reinstated. Miss M's partner refused this and stated he wanted the cover to be provided free of charge. He said that by leaving Miss M without cover, British Gas was leaving her vulnerable. British Gas responded that the decision not to reinstate the direct debit was a choice Miss M and her partner were making. Miss M's partner maintained that the policy should be provided free of charge.

Ultimately, the direct debit was not reinstated and toward the end of January 2019 the policy was cancelled. Miss M is also unhappy about this.

Our investigator considered the complaint. Having done so, she thought the response of British Gas was appropriate. It was clear that there had been an error in how the policy document were sent, and that there had been some issues with communication.

But our investigator thought British Gas had appropriately compensated Miss M. She also didn't think that any premiums had been collected or that it was British Gas that had cancelled the direct debit. So our investigator didn't think British Gas needed to do any more. Miss M remained unhappy and so her complaint has been passed to me for a 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.

A number of different complaint points have been raised. And I have addressed what I consider to be the key issues. But whilst I have considered all of the remaining points, ours is an informal process, which means looking at a complaint “in the round”, as well as considering the detail. So I haven’t set out, and won’t reply to, every point Miss M has made.

As a result of the thorough investigation that has already taken place, I have been able to review all of the correspondence that was exchanged throughout the period in question, as well as the majority of the call recordings. Unfortunately, apparently due to IT issues, the recording of Miss M originally amending her cover is not available. British Gas has not however disputed what Miss M has claimed was discussed in this call.

the failure to send the documents by post

I note Miss M’s concerns about how the policy documents have been provided to her. All parties accept that Miss M asked for these to be posted and that this didn’t happen. Miss M has said this failure is a breach of the Disability Discrimination Act 1995.

I should explain it is not the role of this service to determine if any legislation of this nature has been breached; only a court can do that. The role of our service is to consider, taking into account relevant law, whether a business has acted fairly and reasonably.

The relevant law here may include the Equality Act 2010 (*the Disability Discrimination Act has been repealed as it relates to the events in question*). However, whilst I take note of the provisions of this Act, I don’t feel these change the fundamentals of this case.

Miss M has said she requires adjustments to the communications that are sent to her due to her health. Whether or not this health issue is a disability protected by the Equality Act (and I should stress I am not questioning this one way or the other), I think it would be reasonable for British Gas to amend its communications in the manner requested. The request is unlikely to be considered onerous or unusual. It also seems British Gas agreed to do this.

It is clear that this did not happen. But British Gas did offer to post the documents to Miss M when she called on 24 November 2018. After this the policy then lapsed, so I don’t find it surprising that new documents were not then sent.

British Gas has offered Miss M compensation for not sending these documents initially. Taking into account the points above, I consider this offer to be fair and reasonable. So whilst I do think something went wrong here, I think British Gas responded to this error appropriately. And I don’t think it needs to do anything more here.

general communication issues

I note that, on 14 December 2018, an email was sent to Miss M rather than a posted letter. I have to consider the detriment of this failing though. It is not the role of this service to punish businesses where mistakes are made. Our role is, in part, to ensure complainants are fairly compensated where an error leads to material distress or inconvenience.

Miss M has said that she did not receive this email of 14 December. So any difficulty she might have had with reading it did not, in the event, take place. The email also merely consisted of confirmation that a phone call had been attempted and providing contact details. Following this further calls and letters were made and sent. So I don't consider this email to have caused material distress or inconvenience to Miss M. And, other than the policy documents, all other substantive communications were sent by letter.

Miss M has expressed concerns at whether British Gas communicated in a timely manner. She has referred to it not meeting its deadline of seven days to acknowledge her complaint. But I can see that British Gas sent her a letter on 29 November, so I think that it has complied with the timeframe it set, along with that set by the relevant rules. It would appear from her comments that Miss M may not have received this letter. But it was correctly addressed, and I cannot hold British Gas responsible for any non-delivery.

And whilst the complaint may not have been resolved within three days, I don't think it would be fair or reasonable to apply to this a timeframe that relates to British Gas endeavouring to deal with an enquiry. Miss M and her partner were provided with the appropriate timescales when they initially raised the complaint. So they would have known how long a full response was likely to take. British Gas responded to Miss M's complaint within the required time.

I have also seen the internal screenshots, and been provided with call recordings and copies of correspondence relating to attempts to contact Miss M. So I consider British Gas to have, largely speaking, acted appropriately in terms of these communications.

I agree that the cost of the cancelled PAD cover was not made entirely clear during the call. British Gas has not charged for the cancelled cover though, so any impact is non-financial.

But I appreciate Miss M was troubled by the call handler's comments. Consumers are generally entitled to cancel insurance policies within the first 14 days of cover. However it is not uncommon, nor is it inappropriate, for an insurer to charge a consumer for 'time on cover'. It seems from the call handler's initial comments that she was confused by this.

I also note though that the call handler did try to provide a further explanation, but that neither Miss M nor her partner were prepared to continue the conversation at this point. They had been on the phone for some time by then, so this is understandable. But I do have to take this into account when considering this issue.

British Gas has accepted things could have gone better here, and has factored this in when offering compensation. I also note the offer was actually more than Miss M originally asked for in settlement. So, whilst I appreciate Miss M was troubled by the information she was provided with, I consider British Gas' response here to be appropriate.

the cost and cancellation of the policy

In addition to how the costs were explained, Miss M is unhappy British Gas intended to take the first payment from her account on 30 November 2018, rather than 28 November. She considers this to be a failure to honour an agreement. I am not sure what was said in the original call, but I think the call handler on 24 November 2018 adequately explained why the timeframes involved in this case didn't allow the first payment to be taken on the 28th.

I also note that the letter sent to Miss M on 17 November, with the link to her policy documents, stated that the first payment would be *“taken on 30th November 2018, followed by eleven payments of £12.00 on the 28th of each month, or the following working day.”* So I think Miss M would have been aware of when the premiums were going to be due and I don't consider British Gas to have acted inappropriately here.

Additionally, I have been provided with no evidence that British Gas has taken any payment for this policy at any time after the original amendments in mid-November 2018. Miss M has referred to a charge that appears on her bank statement, but this appears to relate to a different business. I am unable to comment further on Miss M's outgoings, but it may be that she will need to speak to her bank if she is unsure of the parties she is paying.

The evidence available is also clear that it was Miss M who cancelled this direct debit prior to it being taken. Miss M has said that this was because she was told to. However, this is not mentioned within the call of 24 November 2018, and there was no other communication from British Gas between this point and the cancellation.

It may be that Miss M is confused with previous events, which apparently led to her initial changes to her cover. These events are not the subject of this complaint, but it seems that Miss M may have been instructed to cancel the direct debit that existed then. I appreciate Miss M may have had a number of dealings with British Gas, so confusion from this is understandable. But I am satisfied that the appropriate direct debit to pay for the PAD and HEC was set up in November 2018, and that Miss M then cancelled this without any direction to do so from British Gas.

It should also be borne in mind that when the payments were not made for the remaining HEC cover, this policy was not immediately cancelled. British Gas clearly, in my view, set out the situation and actions Miss M needed to take in order to avoid it being cancelled. As Miss M did not act on this, I think British Gas acted fairly and reasonably here. So I am unable to hold British Gas responsible for any consequences of the policy lapsing or being cancelled. And I don't find there to be any reason cover should be provided free of charge.

Ultimately, whilst there have been some failings by British Gas, I think it has responded to these appropriately. Taking everything into account, I don't think it needs to do any more.

my final decision

My final decision is that I consider the compensation offered by British Gas Insurance Limited on 31 December 2018 to be fair and reasonable. British Gas should pay this to Miss M if it has not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 3 August 2019.

Sam Thomas
ombudsman