

complaint

Mr V has been a landlord owning multiple properties for a number of years. He complains that British Gas Services Limited ("BG") didn't tell him until December 2014 that as a landlord owning ten or more properties he was eligible to take out one multi-premise policy covering home emergency, servicing and repairs, instead of separate policies for every property, at a saving, for 2014 alone, of £580.60.

He said that BG should refund the amount he had been overcharged for the past ten years - £5,806.00 in total.

background

In December 2014, Mr V made claims against BG for two of his properties. BG then became aware that he owned ten or more properties and so qualified for its multi-premise policy, which it proceeded to set up for him. However, it said that it wasn't aware before then that he was a landlord, or that he owned that number of properties.

Also, the standard policy and the multi-premise policy offered different features and benefits. So it wasn't possible to provide a direct comparison in price between the two products. However, it offered Mr V £500 in respect of previous years as a gesture of goodwill. Mr V didn't accept this offer and complained to this service.

Our adjudicator recommended that this complaint should be upheld in part. He said that:

- BG became a regulated entity, and so subject to the jurisdiction of this service, on 6 August 2009. So we couldn't comment on anything BG did, or failed to do, before then,
- at that date, and at all times since, Mr V had owned ten or more properties as a landlord,
- BG acknowledged that, as such a landlord, its multi-premise policy was potentially available to Mr V from before then, and had now been set up for him since December 2014,
- it didn't advertise this policy, so the only way Mr V would know about it is if BG told him about it,
- Mr V said BG never asked him if he was a landlord or checked with him if he qualified for the multi-premise policy,
- BG said Mr V never held a landlord policy with it, and it couldn't say from its records whether he made it aware that he was a landlord. It didn't try to identify from its records which customers might be landlords. However, Mr V had produced a copy of BG's landlord's safety certificate for one of his properties for the period from 26 September 2008 until 25 September 2009. The adjudicator considered this showed BG was aware that Mr V was a landlord at that time.

He considered that BG should have been aware that Mr V was a landlord and should have alerted him to the multi-premise policy, but had failed to do so. This had resulted in Mr V incurring costs for individual policies that could have been avoided if he had been under the multi-premise policy. He said that BG should reimburse Mr V the difference between what he had paid in premiums since August 2009, and what he would have paid since then if he had been on a multi-premise policy, plus interest.

BG responded to say, in summary, that:

- as the policies for Mr V's various policies were taken out over a long period, and most of them didn't have a landlord's gas safety certificate included, there was no way for its systems and processes to identify that Mr V was a landlord who was potentially eligible for the multi-premise policy, and
- its terms and conditions didn't mention the existence of the multi-premise policy. The company decided whether or not to offer discounts to customers. So in not offering the policy to Mr V it hadn't broken any terms and conditions.

my findings

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

I accept that BG hasn't broken the terms of any contract with Mr V. However, this service, like the Financial Conduct Authority, expects that as well as this, a business will treat its customers fairly. This includes not treating customers who are in the same category as one another differently in an arbitrary manner. In this case, I don't think BG has treated Mr V fairly.

BG seems to have set up a special type of policy for landlords owning a minimum of ten properties. However, for some reason, it seems to have decided not to publicise this. So the only way a customer would know about it is if BG told him.

If BG's systems were able to identify such customers and tell them they were eligible for this policy, that would be fine. However, in this case, although BG had sent Mr V its own document labelled "Landlord's Safety Certificate", no one seems to have thought to check if he might be eligible for the multi-premise policy. It wasn't until December 2014, when Mr V made claims for two properties, that someone at BG finally thought to check if he might qualify for the policy.

I conclude that the combination of the secrecy surrounding the policy, the lack of connection in the way BG's systems operated, and its failure to follow up the landlord's safety certificate which BG itself issued means that BG didn't treat Mr V fairly. I agree that it should reimburse Mr V the difference between what he has paid in premiums since August 2009, and what he would have paid if he had been on a multi-premise policy since then, plus interest on the amount refunded.

my final decision

My decision is that I uphold this complaint in part. I order British Gas Services Limited to:

1. reimburse Mr V the difference between what he has paid BG in premiums for his various properties since 6 August 2009, and what he would have paid BG if he had been on a multi-premise policy since that date for his properties, and
2. pay Mr V interest on each amount reimbursed at the yearly rate of 8% simple from the date of each overpayment until settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 23 December 2015. ⁽¹⁾

Lennox Towers
ombudsman

(1) H M Revenue and Customs requires BG to take off tax from this interest. BG must give Mr V a certificate showing how much tax it's taken off if he asks for one.