

complaint

Mrs A complains that British Gas Insurance Limited failed to carry out an annual service in line with the terms and conditions of her HomeCare insurance policy.

background

Mrs A's policy runs from 16 May to 15 May each year.

An appointment was arranged for 5 April 2013 for an annual service. British Gas contacted Mrs A on 4 April to rearrange the appointment to 25 April. A British Gas engineer attended on that new date as agreed, and completed the annual service.

However, Mrs A complained to British Gas that it had failed to carry out an annual service during 2012. She also complained that she had contacted British Gas on 14 March 2013, to report a blockage in a drain, and had to wait until 18 March for an engineer to attend. In addition, she was unhappy with the way British Gas had handled her complaint, as she considered that it had failed to follow its own complaints procedure.

In response to Mrs A's complaint, British Gas offered her £78 compensation. This was to take account of the cancelled appointment of 5 April 2013. (This offer was also originally identified as including a component of £48 in recognition of an annual service being missed within the policy year, although that annual service had not been missed.)

In addition, British Gas offered £50 in recognition for the amount of time Mrs A had to wait for an engineer to attend to her claim for a blocked drain, making the total amount of compensation offered £128.

However, Mrs A considered that British Gas should refund her insurance premiums for the year, totalling £453.14, and so she rejected its offer of £128 and returned the cheques which had been sent to her. As British Gas declined Mrs A's request to refund her insurance premiums, Mrs A brought her complaint to this service.

Our adjudicator was of the opinion that the offer made by British Gas was fair and reasonable. She considered that British Gas had acted in line with its policy terms and conditions in rearranging the annual service visit from 5 April 2013 to 25 April 2013. She was also satisfied that British Gas had carried out an annual service within each policy year. In addition, the adjudicator considered that British Gas had acted in line with its complaints procedure when dealing with Mrs A's complaint.

As our adjudicator was unable to resolve the matter to the satisfaction of both parties, the complaint has been referred to me to decide.

my findings

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

British Gas' policy terms and conditions state:

Section 4:

“Annual Service means a visit we carry out in each period of Agreement to check that the elements included in your Agreement are safe and in good working order”.

Section 5.19:

“Annual Service

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

Mrs A considered that British Gas failed to fulfil its agreement, as an annual service was not carried out in 2012. Whilst I appreciate that Mrs A expected British Gas to carry out an annual service every 12 months, this is something British Gas aims to do but is not obliged to do. British Gas is instead required to carry out a service within each period of the agreement. Therefore, I am satisfied that British Gas acted in line with its policy terms and conditions, as an annual service had been carried out within each policy year.

As well, the policy allows British Gas to rearrange appointments based on its workload, and I do not consider that unreasonable. Because of this – and while I acknowledge the inconvenience this caused – I cannot reasonably require British Gas to consider Mrs A’s loss of earnings for taking the day off work to be available for the cancelled appointment, as she was contacted to advise of the need to change and an alternative date was arranged. I also note British Gas’ offer of £78 compensation for this inconvenience.

Mrs A would like British Gas to refund her insurance premiums for one year, totalling £453.14. I do not consider that would be fair or reasonable, as I am satisfied that British Gas fulfilled its obligations under the terms and conditions of the policy. It is also worth noting that in addition to annual services, Mrs A’s policy provides cover for repairs. The purpose of insurance policies is to have cover in place in the event of unforeseen circumstances, and it is for that that premiums are paid. Although Mrs A may not have made a claim for repairs under the policy, she had the benefit of the cover which was in place should a claim have been made and repairs required. In this case, it is reasonable to expect that British Gas would have carried out repairs in line with the policy terms and conditions and so it is not appropriate for the premium to be refunded.

Mrs A has also made reference to the fact that it was she who made contact with British Gas to arrange the annual service, and has suggested that had she not done so an annual service would not have been carried out. However, there is no evidence to suggest that British Gas would not have contacted Mrs A to arrange an annual service within the appropriate period.

On the issue of Mrs A’s comments regarding British Gas not acting in line with its complaints procedure, the policy also provides, in Section 8.17:

“We will always aim to do our best. However, there may be times when things go wrong. If you have a complaint about any part of our service or your products, please phone us on 0800 048 1000 or write to us...Or, you can email us...”

We will try to deal with the matter immediately. However, if we can’t, we will keep you regularly informed about the progress of our investigation. If you are unhappy with our final response – or if we have not been able to complete our investigation within eight weeks of

receiving your complaint – you may be able to refer the matter to the Financial Ombudsman Service...”:

I note that Mrs A wrote a letter of complaint to British Gas on 9 April 2013. British Gas attempted to contact Mrs A on 30 May 2013, but as it was unable to speak to her it wrote to her on 31 May 2013 with its final response letter and provided referral rights to this service.

The Financial Conduct Authority (FCA) is the regulator of financial services with the UK. It sets out rules which require businesses to issue a final response to a consumer within eight weeks of a complaint being raised, and to provide a consumer with referral rights to this service. Following this, the customer then has the option to bring their complaint to this service for consideration.

As British Gas had issued Mrs A with its final response letter, it was not specifically obliged to offer further explanation to her. Although British Gas did not keep Mrs A regularly updated with its investigation into her complaint (and this may well have caused Mrs A some frustration), it did provide referral rights to this service within eight weeks of the complaint being raised, therefore acting within the FCA’s requirements. I am therefore not persuaded that British Gas did not act reasonably in accordance with the appropriate procedures, or that Mrs A was in any case otherwise prejudiced by its handling of the matter.

Section 5.8 of the policy states:

“Our responsibilities

We will meet our responsibilities under your Agreement within a reasonable time unless it is impossible because of circumstances outside our control. If we cannot meet our responsibilities, we will let you know as soon as possible confirming the reasons why we cannot meet our responsibilities. We will also give you another time when we expect we can meet our responsibilities to you”.

In regard to Mrs A’s complaint about having to wait for four days for an engineer to attend to her claim for a blocked drain, I am satisfied that British Gas’ offer of £50 in recognition of this is fair and reasonable, taking into account that British Gas’ policy terms and conditions do not specify response times.

I therefore consider that British Gas’ offer of compensation (totalling £128) for the inconvenience Mrs A has suffered in respect of the rescheduled annual service appointment and the delay in attendance for the blocked drain is fair and reasonable. If she has not already received payment, Mrs A should contact British Gas to ensure that is made.

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.

Helen Moyer
ombudsman