

complaint

Mrs B1, who is attorney for Mr B2, complains that British Gas Services Limited acted unfairly and unreasonably by recording the tenant of the property covered by a home emergency policy as the policyholder. She wants all premiums paid since 2011 refunded as she felt British Gas' actions stopped her discussing the premiums or going to another insurer.

background

Mrs B1 (as attorney for Mr B2) had a home emergency policy with British Gas which covered a property owned by Mr B2, which was rented out. Mrs B1 was unhappy as she gave permission for the tenant to be able to deal with British Gas, not to become the policyholder in 2011. After this, Mrs B1 said that British Gas refused to deal with her, despite her and the tenant trying to explain the situation, while paying the premiums. British Gas then wrote to the tenant in 2018 saying that it couldn't cover the central heating system anymore as it no longer met gas safety or building regulations, and it would refund the remaining premium. Mrs B1 said that this wasn't true and on the same day as the letter was sent to the tenant, a new policy was taken out covering the property in her own name.

Mrs B1 complained to British Gas. It said that it had incorrectly recorded the tenant as the policyholder in 2011, which meant much of the documentation which should've been sent to Mrs B1 went to the tenant instead. British Gas thought that this had probably been done to make it easier to arrange appointments, but accepted it should've realised this was incorrect as Mr B2's relatives and trust were paying the premiums. British Gas explained that the original policy had been ended when Mrs B1 complained in 2018, and it was likely that the member of staff selected the wrong reason for the closure, triggering the automated letter. It confirmed that the property was now covered with a policy in Mrs B1's name.

British Gas paid £200 compensation for the trouble and upset caused by its errors, as well as by the delay in resolving the issue, the efforts made by Mrs B1 to put matters right, the need to take out a new policy and documents not reaching Mrs B1. British Gas refused to refund premiums since 2011 as the property had been covered and work had been carried out on several occasions.

Mrs B1 complained to us. The adjudicator's view was that it was likely Mrs B1 had contacted British Gas between 2011 and 2018 to try to sort matters out, but it hadn't been recorded as she wasn't the policyholder. But she also noted that British Gas had attended the property many times between 2011 and 2018 and carried out work, and Mrs B1 hadn't cancelled the direct debit (or asked the tenant to end the policy), but chose to continue to pay. The adjudicator's view was that as the property had been covered, the premiums didn't need to be refunded and she thought the £200 compensation paid was fair and reasonable in relation to the trouble and upset caused by British Gas' failings.

Mrs B1 disagreed. She said that British Gas told her not to cancel the direct debit as it might affect the tenant's credit rating. Mrs B1 also said that she believed that if she'd been the policyholder, she could've got a lower premium. The adjudicator didn't change her view and said that the tenant could've cancelled the policy. Mrs B1 provided evidence that the tenant had said she'd spoken to British Gas, but this wasn't evidence that the tenant had done so.

my findings

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

There's no dispute that British Gas made a mistake and shouldn't have recorded the tenant as the policyholder. But nonetheless Mr B2 benefitted from the years of work carried out on the property by British Gas, so it wouldn't be fair or reasonable to refund the premiums paid. And Mrs B1 and the tenant knew about the situation, but continued to allow the policy to continue – the evidence from Mrs B1 only shows that the tenant told her that she'd contacted British Gas, not that she'd done so. I think it's likely that Mrs B1 did contact British Gas several times about the issue, but the calls weren't recorded as she wasn't the policy holder; Mrs B1 is clearly unhappy about the situation and I think it's unlikely she did nothing for years.

There's no evidence available to me that shows due to the tenant being the policyholder, Mr B2 was charged higher premiums for the insurance policy. This leaves the issue of compensation for the trouble and upset caused by British Gas' error regarding the policyholder and the efforts of Mrs B1 to put things right. Money never truly compensates for trouble and upset. In any event, taking into account all the circumstances of this case, the fact that work was carried out under the policy, and the number of calls made to British Gas trying to deal with the issue, I think £200 compensation is fair and reasonable.

my final decision

My final decision is that I don't uphold the complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B1 to accept or reject my decision before 29 September 2019.

Claire Sharp
ombudsman