

## **complaint**

Mr A is unhappy that annual services, which are included as part of his cover with British Gas Insurance Limited, have not been completed.

## **background**

Mr A says that he has not had some services carried out at all and in some years it has been later than expected. His policy runs from August to August each year and he was apparently told that the service would be carried out every June but British Gas later told him this was incorrect.

For the policy year 2011 to 2012, no annual service was completed at all. For the policy year 2012 to 2013, an annual service was completed at the end of September 2013. And for the policy year 2013 to 2014 the annual service could be completed at any point up until 19 August 2014, to be in line with the policy terms and conditions. I understand this was carried out in June 2014.

Mr A had previously complained to British Gas that the services are not carried out on the same date each year and requested his annual service to be completed every June, which was agreed by British Gas in a letter dated 29 July 2011: *"As your service visits were completed in early June in previous years, I can confirm that your agreement has been amended to make sure we do carry the visits out at the beginning of June in future."*

However, British Gas sent an email in February 2014 which said that this was due to a misunderstanding and it cannot guarantee appointments due to demand.

Mr A would like British Gas to complete annual service every 12 months and would like British Gas to send annual service reminders near the 12 month anniversary.

British Gas has sent Mr A a cheque for £80 in recognition for the missed annual service for the policy year 2011 to 2012, but says that it cannot guarantee when during the policy year a service will be carried out as it has to prioritise emergency situations.

Our adjudicator did not recommend that the complaint be upheld. She considered that British Gas had acted in line with its policy terms and conditions.

Mr A does not accept the adjudicator's findings. His submissions include the following:

- The adjudicator has failed to investigate the matter properly and has not 'interrogated' British Gas sufficiently but rather accepted its assertions without question. We should have requested and listened to call recordings of the conversations between him and British Gas and he asks why this has not been done.
- He cannot accept that it is beyond British Gas' capabilities to make a regular annual appointment for the annual service, which may on occasion need to be rearranged if emergencies arise.
- Although he accepts that we do not regulate the industry, we work in alliance with the regulator (Financial Conduct Authority) and have agreed with it that we will ensure adherence to good industry practice and industry Codes of Practice. British Gas' behaviour clearly fails to meet either.
- In the agreement year 2013 to 2014 he paid British Gas just under £600 for the policy, which covered two boilers. British Gas' standard call-out charge for non-policyholders, which includes 30 minutes labour, is £89. "So to suggest that an ASV for two boilers is only worth £48 rather insults our intelligence."

- He considers that a settlement of the costs of “2 x £48 plus a goodwill gesture of £50 for the time and inconvenience; totalling £146 would be more acceptable”.
- He finds it impossible to understand how or why the adjudicator considers that British Gas has met its obligations.

Accordingly, the matter was passed to me. At my request, the adjudicator contacted British Gas to ask for its comments on the point raised by Mr A that he had two boilers covered by this policy and therefore the refund for the missed annual service should be £48 for each boiler. I am pleased to report that British Gas has agreed that, as there are two boilers at the property, there should be a refund of £96 in total for the missed annual service.

### **my findings**

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

Mr A's policy says:

#### *“Annual Service*

*If your Agreement includes an Annual Service, we will arrange to visit your Home in the second and subsequent years of your Agreement to inspect your boiler and controls, gas central heating system or gas appliance... 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 services (such as cold weather), we prioritise breakdowns and may need to rearrange your Annual Service visit”.*

While I acknowledge that British Gas may not be able to guarantee exact dates each year for the service to be carried out, it is not unreasonable for this to be expected to be done as close as possible within 12 months of the previous service. One year's service was missed entirely, the next was carried out a month after the policy period that it was meant to have been done in.

However, although Mr A would like British Gas to make an advance appointment for the annual service each year, and later rearrange it if necessary, I am unable to direct it to do so. As the adjudicator explained, we do not regulate British Gas or the industry and therefore have no power to require it to change its practices or procedures. Mr A also suggests that this is not in adherence to good industry practice or industry Codes of Practice but I am not persuaded that is the case. There is nothing in the rules that apply to insurers (Insurance: Code of Business Sourcebook, ICOBS) nor any industry Codes of Practice, of which I am aware which would require British Gas to make advance appointments in the way requested by Mr A. And although Mr A would find it preferable, I am also not persuaded that it would be deemed to be good industry practice, partly because it is not done in the way proposed by Mr A by any other insurer, to my knowledge.

Mr A also asks that we listen to telephone recordings and ‘interrogate’ British Gas as to why it said it would carry out the annual services in June each year and then reneged on that commitment. I do not consider that this is necessary. Even if it did say it would carry them out in June each year, it is not bound by that in perpetuity, as any such commitment does not override the insurance contract, which provides that it will endeavour to service the boiler within the policy year.

My remit is to consider individual complaints and where appropriate to make awards which reflect any inconvenience or direct loss experienced by the individual consumer as a direct

result wrongdoing or mistakes made by the insurer. In this case, one service was missed altogether and one was carried out late.

British Gas has reimbursed the value of the annual service for that for one boiler already and has agreed to reimburse a further £48 for the second boiler. It has also paid an additional £32 by way of compensation for inconvenience caused.

Mr A seeks to compare the amount paid to the charges that British Gas makes to attend privately – outside of any insurance cover – but I do not consider this to be an appropriate comparison. British Gas Insurance Limited is an insurer. The part of British Gas that provides private engineering services to paying consumers is a different business, making profit on the provision of those services (rather than on the provision of insurance). British Gas has, on this case and others, provided evidence that the annual service accounts for £48 of the premium. Therefore I am satisfied that it is this amount that should be refunded for the missed service (for each boiler).

In my opinion the offer already made by British Gas – together with the additional £48 - is fair and reasonable in all the circumstances of the case.

**my final decision**

I uphold this complaint in part and require British Gas Insurance Limited to make a payment of £48 to Mr A, in addition to the £80 already paid to him.

Harriet McCarthy  
**ombudsman**