

## **complaint**

Mr M and Mrs R have complained about the way British Gas Insurance Limited ('British Gas') handled the renewal of their home emergency insurance policy.

## **background**

Mr M and Mrs R held a home emergency insurance policy with British Gas and it was due to renew on 4 January 2016. On 3 January 2016 Mr M renewed online believing he was getting a similar policy but for a cheaper price.

On 16 January 2016 Mr M noticed he was paying the same price as the previous year. So, he contacted British Gas using their online chat facility. He was told someone would be in touch about this. In October 2016 Mr M complained. He asked British Gas to refund the amount he'd overpaid since the policy renewed.

British Gas didn't agree to refund anything. They explained the price Mr M had seen on the website was only available to new customers. But, they offered Mr M £50 for not looking into his concerns in January 2016. Mr M and Mrs R were unhappy so referred their complaint to us. They said they'd been able to renew at the lower price and had received a confirmation to that effect, so they should get a refund of the overpaid premiums. They said if they weren't eligible for the lower price, they'd been denied the opportunity to shop around.

Our investigator thought Mr M and Mrs R's complaint should be upheld. She agreed that Mr M and Mrs R weren't eligible for the lower price. But she recommended that British Gas should pay them an extra £150 to compensate them for the poor customer service and the loss of opportunity to get a better deal.

Mr M and Mrs R accepted the investigator's recommendation. British Gas didn't agree to pay Mr M and Mrs R an extra £150. Instead, they offered an extra £50. As no agreement could be reached, the case was passed to me for a final 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. Having done so, I've decided to uphold this complaint.

I've looked at the criteria for existing customers to be able to take advantage of the new customer price. I agree Mr M and Mrs R weren't eligible for this at renewal as they would've needed to cancel the policy and wait three months before taking out the new cover. So, I don't think Mr M and Mrs R should get a refund of premiums.

But, it's clear that Mr M and Mrs R were able to take out the cheaper cover online – I've seen the email they received confirming this. So, I need to think about whether British Gas should've told Mr M and Mrs R they weren't eligible for the cheaper price. And if Mr M and Mrs R had known this, I need to consider whether they would've done something differently.

I've looked at the records British Gas has sent us and I can see they knew Mr M and Mrs R had tried to take out the cover online on 6 January 2016. This is because a note had been left on the system that the policy taken out online couldn't be set up as the existing policy had already renewed. So, I think British Gas should've contacted Mr M and Mrs R to explain

what had happened. Mr M and Mrs R didn't become aware of this until they checked and saw they were still paying the higher price. Mr M raised his concerns about this via the online chat facility on 16 January 2016. So, British Gas had two opportunities before the cooling off period ended on 18 January 2016 to tell Mr M and Mrs R what had happened.

Had they done so, I think it's likely Mr M and Mrs R would've cancelled the policy within the cooling off period and replaced it with cheaper cover. I say this because Mr M and Mrs R have told us that they would've cancelled the policy and either waited for three months or taken a similar product out with another provider. And I think it's likely they would've done this as Mr M and Mrs R have shown they were looking for a better deal. If they'd been happy with the price they were paying, I think they would've allowed the policy to renew automatically on 4 January 2016. Instead, they tried to take advantage of an offer for cheaper cover.

It's difficult to quantify how Mr M and Mrs R should be compensated for a missed opportunity. But had they cancelled and waited three months to take advantage of the price British Gas offered new customers, they would've made a saving. I also think it's likely they could've found a policy with a different provider for a similar price. So, taking into account the delays in dealing with the issue and the opportunity Mr M and Mrs R missed to get a better deal, I think an extra £150 is fair in the circumstances.

### **my final decision**

For the reasons set out above, I'm upholding this complaint.

British Gas Insurance Limited should pay Mr M and Mrs R £150 for the trouble and upset caused by their customer service. This is in addition to the £50 already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs R to accept or reject my decision before 22 March 2017.

Hannah Wise  
**ombudsman**