

complaint

Miss R complains that British Gas Insurance Limited won't refund the premiums she paid for her Homecare insurance policy.

Miss R will note that the business I've made my decision about has a slightly different name to the business our investigator referred to. British Gas Insurance Limited (BG) is the correct business for my decision to be about and it hasn't objected to the change. The change hasn't made any difference to the outcome of my decision.

background

Between 2013 and 2018 Miss R had a Homecare policy which covered her boiler, central heating, plumbing and drains and home electrics and gave an annual service.

In 2018 Miss R asked BG to cancel the policy, which it did. Miss R then asked BG to refund the policy premiums she'd paid as she'd never had an annual service. She said she hadn't arranged an annual service as BG's engineer wouldn't have been able to get to the boiler and radiators in her property. She'd also suffered two bereavements which affected her health. She said BG knew she wasn't having an annual service and it should have told her to cancel the policy.

BG wouldn't refund the premiums. It said each year it had sent reminder letters to Miss R asking her to book an annual service. She hadn't contacted BG. It didn't refund the cost of the missed service. BG said completion of an annual service wasn't a requirement for the policy to remain valid so she would have been able to claim on the policy if she'd needed to.

Miss R complained to us. In one of BG's letters it had referred to a repair to her toilet under the policy in 2014 but she said the engineer only did minimum work to repair the toilet. She believes the policy is invalid as the annual services didn't happen. Miss R wants BG to refund the premiums and reimburse the special delivery postage costs for her letters to BG.

Our investigator thought BG didn't need to refund the premiums.

Miss R disagrees and wants an ombudsman's decision. She referred to wording in the policy and said as BG hadn't done an annual service it couldn't be assured that her boiler, central heating and appliances were running safely. She also said she had limited income and the premiums that should be refunded were a 'huge' amount to her.

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'm sorry to see Miss R has been unwell and she's had a difficult few years. But I don't uphold this complaint. I'll explain why.

I need to decide whether BG acted fairly and reasonably in not refunding the premiums, and I think it did.

This isn't a case where BG has failed to carry out annual services that Miss R requested and booked. BG sent her reminders that she needed to book the services and she chose not to

because of her domestic circumstances. The policy says that when an annual service is due BG will contact Miss R and if it doesn't hear back from her it won't refund the cost of the missed annual service.

BG didn't need to ask Miss R if she wanted to cancel the policy just because she hadn't had an annual service. It was for Miss R to decide if she wanted to continue the policy. When she did tell BG she wanted to cancel it did so in a reasonable timescale.

I've looked at the policy wording Miss R's referred to. The wording of the recent policy is different to the wording she referred to but the effect is the same. The 'first service' is one where BG may visit to check it can cover the relevant items. The 'annual service' is to check the relevant items are safe and working properly. BG hasn't been able to do so but that wasn't due to anything BG did wrong. It reminded Miss R to book the services and she didn't.

BG confirmed to Miss R that she didn't need to have an annual service for the policy to be valid. The policy was valid. So I've no reason to think BG would have declined any claims she made just because the service hadn't been done.

Whether or not Miss R did claim on the 2014 policy, cover was in place for her to make a claim if she needed to. She had the benefit of cover and paid premiums for that cover.

There's no basis for me to say BG must refund the premiums.

There's also no basis for me to say BG must refund Miss R's postage costs.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 26 April 2019.

Nicola Sisk
ombudsman