

complaint

Ms D's complaint is about British Gas Insurance Limited's refusal to refund premiums she paid for a home emergency insurance policy.

Ms D will notice that I have changed the business name to British Gas Insurance Limited (rather than British Gas Services Limited). This is a technical change that doesn't affect the outcome of the complaint.

background

Ms D says she phoned to cancel her policy with British Gas in August 2017, when she received the renewal documents for the following year. Her existing policy was to run until 22 August 2017. The renewal documents state that the policy will automatically renew, unless Ms D tells it she wants to cancel.

Ms D says she has previously been offered a discount, or some other incentive when she phoned to discuss the renewal. However, on this occasion, no other alternatives were offered to her and so she chose to cancel the British Gas policy and took out cover with another provider.

However, in October 2017, Ms D says she noticed that two further payments (of £44.91 each) had been taken from her bank account by British Gas, after the date she had cancelled. (I note that elsewhere Ms D referred to wanting a refund of £135, which would be three premiums.) Ms D contacted British Gas on 15 October 2017, and asked for those payments to be refunded. British Gas told Ms D there was no record of any call being made to cancel the policy. It agreed to cancel the policy with effect from 15 October 2017 and provided a pro rata refund of £10.61. Ms D is adamant that she phoned to cancel the policy and so brought the complaint to us, as she still wants the two premiums refunded in full.

British Gas says it has no record of Ms D contacting it to cancel the policy and it would be her responsibility to cancel any existing cover, when taking out an alternative policy. It therefore doesn't agree that any further refund is warranted.

One of our adjudicators looked into the case. She thought that it was likely that Ms D had called to cancel and initially suggested British Gas refund half the premiums but later changed this and recommended it refund both premiums in full.

British Gas doesn't accept the adjudicator's recommendation and so the matter has been referred to me.

my findings

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

Ms D is unable to provide any telephone records to prove she phoned to cancel the policy in August 2017 and therefore that British Gas did anything wrong in collecting the two premiums after August 2017. However, Ms D has been consistent and credible throughout: she says she was not offered any alternative deal with British Gas to persuade her to stay; and I note that she did arrange alternative cover to start just before the policy with British

Gas was due to end. I consider it more likely than not that she did phone to cancel the policy.

British Gas says it has no record of this but taking everything into account and considering what is fair and reasonable in all the circumstances, I consider it would be fair for it to refund the premiums taken after August 2017 (it can deduct the £10.61 already refunded from this).

This is not a case of Ms D cancelling a policy, having realised she has no need to claim, as had been suggested. She thought the policy was cancelled and so I don't consider that it is likely she would ever have claimed under this policy.

my final decision

I uphold this complaint against British Gas Insurance Limited and require it to refund the premiums taken after the renewal of the policy (*i.e.* 22 August 2017), together with interest at 8% simple per annum from the date they were taken to the date they are reimbursed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 19 April 2018.

Harriet McCarthy
ombudsman