

## **complaint**

Mr C complained that British Gas Insurance Limited ("BGI") had cancelled his home emergency policy.

## **background**

Mr C had a home emergency policy with BGI. He'd had ongoing problems with his central heating, over a number of years. He contacted BGI because he had again been told to get his central heating system powerflushed, even though he'd already had that done twice.

Mr C thought BGI should've advised him to put a sludge inhibitor product into the water in his central heating system. He thought that sort of advice was what he was paying BGI so much for, and he wanted to discuss this with BGI. But Mr C said BGI's call handler behaved unprofessionally when BGI got in touch. He said the call handler made a racist remark to him. And then Mr C found that his policy had been cancelled, apparently on the grounds of his behaviour on the call.

Mr C also told us that BGI had missed a gas leak the first time it was reported. And after his complaint was made, he contacted us to tell us that he had experienced ill health, and he thought that the stress of this complaint had added to this.

BGI said Mr C had been given the correct advice about his central heating system. It also said Mr C had used abusive language to its call handler when he was on the phone. It said that it wouldn't tolerate behaviour like that, so his policy had been terminated immediately.

Our adjudicator asked BGI for a recording of the call where Mr C had allegedly been abusive. BGI didn't send a recording of that call.

Our adjudicator then upheld this complaint. He said he'd expect a call like this to have been recorded. And BGI hadn't sent a call recording, so our adjudicator said he couldn't say that BGI's decision to cancel the policy was reasonable. He noted BGI hadn't said there was any history of engineers who attended Mr C's claims reporting concerns or problems.

Our adjudicator thought BGI had made Mr C aware of the problem with sludge in his central heating system. He didn't agree with Mr C that BGI had an obligation to tell Mr C that inhibitor should've been added. Our adjudicator said he understood that should've been done after each of the powerflushes, which Mr C had paid for privately.

Our adjudicator didn't think that, prior to the policy being cancelled, BGI's call handler had made a fair offer to deal with Mr C's concerns. Our adjudicator said that Mr C had been offered something "for free" – a new heat exchanger. But he may already have been entitled to that anyway, without charge, under his policy.

Our adjudicator said Mr C had problems with his toilets since his policy had been cancelled, but a plumbing firm attended to resolve this under the warranty for previous repairs.

BGI said it hadn't been able to send us a call recording, because that call hadn't been recorded. BGI sent a witness statement from the call handler instead. That repeated that Mr C had used an aggressive tone and foul language. The call handler said he felt that asking him or BGI's engineers to visit would put them at risk. BGI wouldn't accept Mr C's policy being reinstated, for the reasons that its call handler had given.

Our adjudicator didn't change his mind. He said that as BGI was making an allegation against Mr C, it needed to be able to provide evidence to support its position.

BGI said it had provided the only evidence it could. It said this was comparable to an incident in someone's home, that wouldn't be recorded either. We shouldn't assume that there had been no abusive language, just because it wasn't recorded. And BGI thought that it should be able to decide who it contracts with.

Mr C also wrote again. He said he had been racially abused, he had been wrongly accused of abusive behaviour, he had had his contract cancelled without being allowed to put his version of events, and he had had to pay a third party to clean out his central heating system, which could've been avoided if he'd been advised correctly by BGI.

As neither side agreed with our adjudicator, this case was passed to me for a final decision.

### **my provisional decision**

I issued a provisional decision on this complaint and explained why I proposed to uphold it. This is what I said then:

- Mr C thinks that it was BGI's responsibility to tell him to put an inhibitor product in his central heating system. And he says he's faced increased costs because it didn't do that. But I don't agree that it's primarily BGI's responsibility to tell Mr C to do this. I note that Mr C has had two powerflushes of his heating system in recent years. And, like our adjudicator, I would expect that advice about any inhibitor would form part of this work, if that was required. BGI didn't do this work, it was done privately. So I don't think it's BGI's fault if Mr C wasn't advised that he might benefit from this.
- Mr C also told us about what happened when BGI got in touch with him to discuss his concerns. Mr C accepts the conversation became heated, but said he wasn't abusive. He also said BGI's call handler was unprofessional, and pushed him repeatedly to accept an unsuitable resolution. Then Mr C says the call handler made a racist remark to him.
- BGI's version of events on this call is somewhat different. Unfortunately, this call apparently wasn't recorded, although Mr C says he was told it was. So I'm not simply able to listen to the call and hear what happened. I have to consider what both sides have said, and reach a view on what's most likely to have happened.
- BGI says that this situation is just the same as if a problem occurred on a call out, where the interaction wouldn't be recorded. I don't think it is quite the same. BGI knew that Mr C was unhappy with the service he'd received. Our adjudicator expected BGI would choose to record calls that are made in response to a complaint. I think that's right, and it's unfortunate that BGI's call handler chose to make this call from an unrecorded line. I think that means he runs the risk that if a call does become heated, that he won't have evidence to show why steps as serious as cancellation of a contract really are necessary.
- I do think there are some similarities with a problem on a call out. With either a call out, or an unrecorded call, I'd expect BGI to offer clear and detailed evidence of what was

said, with specific examples to show why concerns have been raised. That hasn't been provided.

- I also need to bear in mind that BGI relies on events on this one call, as its justification for cancelling Mr C's policy. BGI hasn't suggested there has ever been any other cause for concern over Mr C's behaviour, in what Mr C says is almost two decades of cover, and a number of home visits. I think that also means that the evidence to support cancellation of Mr C's policy does need to be detailed and specific, particularly as Mr C may have to declare this to other insurers in future.
- The initial evidence that our service was sent didn't seem to me, or indeed to our investigator, to meet this threshold. BGI has since sent us a further statement. I can see BGI had asked its call handler for a statement "in as much detail as possible". The response seems to me quite short, and no further detail of what was said was then offered.
- I think both sides accept that the phone conversation became heated. But I don't think I'm able to decide that this conversation was quite as BGI has described it.
- BGI's call handler refers to abusive language. Mr C accepts the call became heated. So I think it's likely there was some swearing. That's unfortunate, and certainly not acceptable.
- However, I don't think there's anything to suggest any threats were made. And I don't think it's likely that Mr C's behaviour, looked at objectively, justified the apparent fear of future physical harm that led the call handler to propose the immediate cessation of his contract. Although BGI asked for further detail, there still doesn't seem to me to be anything to show why this call would lead BGI's call handler to think that there was a danger in future to its staff if they had to visit Mr C's home. Especially as there's nothing to make me think that anyone's ever felt unsafe there before, over many years of service provision.
- Mr C says the call handler was unprofessional, and pressed him to accept a particular offer. This offer is mentioned in BGI's internal notes – like our adjudicator, and Mr C himself, I'm not sure why this offer was made. BGI hasn't explained how what it was offering was related to what had gone wrong.
- Mr C also said that the call handler made what amounts to a racist remark. I don't think I'm able to say that it's more likely than not that BGI's call handler did that. Because there's no call recording, there's unfortunately nothing to support what Mr C says about this. And I don't think that the evidence I have seen provides enough for me to decide that it's more likely than not that this happened.
- I do note though that a number of things do appear to have gone wrong on this call. But I don't think that BGI has shown that it was appropriate to unilaterally end Mr C's contract, rather than exploring any less draconian steps.
- All Mr C received after this was a written complaint response, saying that BGI had cancelled his contract. But BGI didn't record on its system that it had cancelled Mr C's contract. It said he'd cancelled because he was unhappy with the service provided. It's particularly unfortunate that the letter that told him about the cancellation also said

*"We're still here for you. Despite the fact that you no longer have an agreement with us, you can still call us if you have a problem with your central heating."*

- That offer of future service also seems to me to undermine what BGI says about its reasons for terminating Mr C's contract.
- I think, as BGI cancelled this policy, it's responsible for showing that its actions were fair. And, taking the above as a whole, I don't think BGI has done that. Because of that, I don't think it's likely that BGI's actions in terminating this policy were fair and reasonable.
- BGI says it should be able to choose who it contracts with. That's usually right. But when BGI does that, it has to act fairly and reasonably. And I don't think it's done so in this case.
- But I don't think that it would be fair and reasonable for me to suggest BGI reinstates Mr C's policy. That's because it seems to me that the relationship between Mr C and BGI has entirely broken down. And I also note Mr C has paid for some private work, and says his central heating has never been better. I'm not clear Mr C would still want this policy with BGI.
- So, I think instead BGI should pay Mr C compensation.
- Mr C paid BGI £1,148.37 for a year of cover starting on 16 October 2017. His cover was then removed on 7 June 2018, but it seems clear that he couldn't have made a successful claim from 6 June, when BGI took the decision to take him off cover.
- I've not seen anything to suggest that BGI has paid Mr C back the remaining proportion of his policy. BGI should refund Mr C the proportion of his premium which he paid for 6 June 2018 to 16 October 2018 inclusive (133 days) if it hasn't already done so.
- I don't know if BGI has recorded the fact that it cancelled Mr C's insurance on any external database. If it has, it should ensure that entry is removed.
- BGI took a particularly serious step in cancelling Mr C's policy with immediate effect. It didn't contact him to get his side of the story, and in my view, it hasn't justified what it has done. I think that this issue has caused Mr C a significant amount of concern and upset. Mr C thought it had contributed to a recent bout of severe ill health. I don't think I'm able to decide that Mr C's ill health has been caused by this problem. But I do think that additional stress, at a time when Mr C has been unwell, would be particularly unwelcome. So I think BGI should pay Mr C £350 in compensation to make up for that.
- Mr C also told us about a separate issue. He said he'd had to call BGI twice before a gas leak in his home was found. I can see that some piping was rerun in his home in late 2017, but I can't see on the list of callouts to his property, a call for a suspected gas leak before this. So I'm not able to confirm what Mr C has said from BGI's records.
- I also note that Mr C says that he reported this problem in 2016 and early 2017, but it wasn't picked up until November 2017. I would've expected that if Mr C had concerns about a gas leak in this time, that he would've contacted the emergency helpline about this, which is entirely separate to BGI. As Mr C doesn't seem to have done this, and as there's no other corroboration of what he's told us, I don't think I can uphold Mr C's complaint on this point.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Mr C didn't reply. BGI wrote to agree, and make some additional points.

### **my findings**

I've reconsidered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I haven't changed my mind.

BGI said that it agreed with the decision. It wanted to reiterate that it did have concerns after the call with Mr C, so it said it hadn't taken its decision to end his policy lightly. But BGI also said that this ending of the policy wasn't processed as it would've liked, given the sensitive nature of the decision. It appreciated that incorrect letters had been sent to Mr C.

I note BGI's further comments. I'll now make the award I initially proposed.

### **my final decision**

My decision is that British Gas Insurance Limited must pay Mr C any outstanding premium it has not yet returned, as set out above. It must also pay him £350 in compensation. If British Gas Insurance Limited has recorded the fact that it cancelled Mr C's insurance on any external database, it must ensure that entry is removed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 9 November 2019.

Esther Absalom-Gough  
**ombudsman**