

complaint

Mr and Mrs M are unhappy with the service given to him under a home care policy for his boiler with British Gas Insurance Limited (British Gas).

background

In August 2018, Mr and Mrs M booked a service for 24 October 2018. They say the service year for that period would've ended in December 2018 so they felt this was ample time for it to be completed within the service year.

In October 2018, Mr and Mrs M say the appointment was confirmed. However, on the morning of the appointment, they say British Gas phoned them to reschedule it for January 2019. Mr and Mrs M weren't happy with this as they thought it'd breach the condition of the boiler warranty and they weren't happy that a revised date for the service was 3 months after the annual service had originally been booked. The adviser apologised and said the best he could do was a £65 refund as an annual service wouldn't be carried out that year.

Mr and Mrs M complained to British Gas. It explained that Mr M had been given the wrong information during his phone call with it in October 2018 - this is because it says it hadn't failed to carry out an annual service visit for the policy year in question. It also says this call was two days before the appointment, not on the morning it was due to take place. And it set out a time line of the contractual term and the date the annual service had taken place for each of those years as follows.

- For the contractual term 9 December 2016 to 8 December 2017, the annual service visit was carried out on 10 December 2016 as this was the day of installation.
- For the contractual term 9 December 2017 to 8 December 2018, the annual service visit was carried out on 11 December 2017.
- For the contractual term 9 December 2018 to 8 December 2019, the annual service visit was carried out on 9 January 2019.

It also explained that, under the terms of the policy, the annual service could be more than 12 months after the previous service and that a service can be rearranged during periods of high demand. It referred to the following terms from the policy.

annual service is defined as 'a check in each period of agreement to ensure that your gas boiler, appliance or central heating, and ventilation is working safely and in line with the relevant laws and regulations. See page 28 for more details.'

'Your annual service may be more than 12 months after your last service visit. In periods of local or national high demand for our services (such as cold weather), we prioritise breakdowns and may need to rearrange your annual service.'

So British Gas didn't uphold Mr and Mrs M's complaint.

Mr and Mrs M complained to our service that British Gas hasn't carried out the agreed service within the 12 months in accordance with the home care policy. And they say that by failing to do this, British Gas have failed to meet the requirements of their boiler warranty.

To put things right, they ask for an apology, the remainder of the cost of the policy for 2018 to be paid to them on top of the £65 already refunded, reassurance this won't happen again, confirmation that the warranty is still valid as well as compensation.

Our investigator looked into matters and didn't uphold this complaint. She explained why she thought Mr and Mrs M did have an annual service year for each of the contractual periods. She also noted that British Gas has:

- confirmed in writing that the 5 year warranty is valid.
- sent us evidence in its contact notes that it phoned Mr and Mrs M two days before the appointment to reschedule it, rather than the day of the appointment, which it's allowed to do under the terms and conditions of the policy in certain circumstances.

However, she did agree that the service given to Mr and Mrs M wasn't satisfactory as it had given them the wrong information during the call when Mr and Mrs M phoned to arrange a service in August as they'd already had one for the contractual period. Then, on 22 October, Mr and Mrs M were told the service couldn't be arranged until January 2019. So they thought they wouldn't get a service in the contractual period and were worried about the impact of this on the warranty. Having said all of this, she noted that British Gas gave Mr and Mrs M a refund of £65 when it shouldn't have done this. She thought it was right to take this payment into account and so didn't ask British Gas to do anything more to put things right.

Mr M disagrees. He makes a number of points including the following:

1. The dates are wrong so they don't agree they could've received a service on 11 December 2017. They explain this is because:
 - o They joined the home care after their initial warranty cover which was free for a year ended. And they didn't start paying for it until 27 December 2017.
 - o There's a 30 day period before British Gas will carry out any work.This is supported by the reminders being sent to them in May when British Gas is saying it'd already been carried out.
2. The 'service' is just a check of the boiler exhaust emissions and takes approximately 10 minutes. Their new boiler is fitted with a home care smart device which connects the boiler directly with British Gas. So they don't see why they need a 'service' as a condition of the warranty when it's really a relatively simple emissions check.
3. British Gas took too long to look into their complaint, taking them beyond their renewal which they feel had the effect of locking them in for another year.

This matter has now been passed to me for a decision.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where there's a dispute about what happened, I've based my decision on what I think's more likely to have happened in light of the evidence.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. However, I've given careful consideration to all of the submissions made before arriving at my decision.

Having done so, I have to tell Mr and Mrs M that I think the investigator has reached the right outcome here. So I don't uphold their complaint in this matter. I'll explain why.

annual service customer service

I think it's fair to say that the service given to Mr and Mrs M has fallen below the standard they were entitled to expect. I say this because they were given incorrect information about the service of their boiler and this led them to feel concerned about the impact on their warranty. I can understand why they felt confused and sought reassurances from British Gas about this. And I haven't disregarded Mr M's concern whether a service is necessary to maintain the warranty as it's a simple emissions check. But my role here is to look at whether British Gas has applied the policy terms fairly. Having done so, I think it has.

I've already set out above the schedule for the contractual period of the policy and also when a service took place within those policy years. The installation was when the first service took place. And the policy terms explain,

*'If we've installed a new boiler for you the **first service** will be carried out as part of the installation.'*

After installation, Mr and Mrs M had a year's free cover. And they didn't need a further service during this time. When they took out the policy with British Gas, this was after the first year's free cover had expired. I think it's right that the cover which was to be paid for started when the free cover expired. I say this even though the first payment – which was to be a monthly direct debit – may not have been taken until late December. I don't think this means the policy itself hadn't started and I note that on the renewal letters it confirms that the direct debits are taken on the 9th of each month.

I also think it's reasonable that the second service took place in December 2017 and that this was during the second year of cover with British Gas. It follows that the schedule of services have been at a rate of one per policy year.

I note that reminders were sent to Mr and Mrs M but I think they're generic, saying to disregard the reminder if the customer has already had, or booked, a service. Mr M says there's a 30 day period before British Gas will carry out any work. But I think this is to prevent people from taking out a policy for repairs after their boiler has already broken down and then making a claim straight away. So these points don't change my decision that the terms of this policy have been applied correctly to the frequency of the services.

In its final response letter, British Gas apologised for the wrong information that was given to Mr and Mrs M. It also explained that the agent had incorrectly refunded £65 to them after the phone call on 22 October 2018. And it didn't offer to do anything more to put things right.

I think it's right that British Gas should compensate Mr and Mrs M for the distress and inconvenience caused by its mistake in giving them the wrong information which led to them being concerned about their warranty. However, our awards are designed to compensate consumers, not punish organisations. And we aren't the regulator so it isn't for our service to tell a business to change how it conducts its business generally.

Instead, we look at the impact this particular matter has had on the consumer concerned. I can see from what Mr and Mrs M have said how inconvenient and distressing this was for them. But I think British Gas has apologised to Mr and Mrs M for this and confirmed their 5

year warranty is valid. It had also already refunded £65 to them which it didn't need to do. Taking everything into account, including the money already refunded to Mr and Mrs M in this matter, I believe this is a fair and reasonable resolution in the circumstances.

the time it took British Gas to look into Mr and Mrs M's complaint

I understand why Mr and Mrs M say they feel 8 weeks is too long for British Gas to look into their complaint. However, British Gas told Mr and Mrs M it wouldn't be able to arrange for them to have a service until 9 January 2019 in a call on 22 October 2018. And I've explained above that it was allowed to do this under the terms and conditions of the policy.

Even so, during the same call, Mr M said he wasn't happy and it was agreed that the adviser would send him £65 as compensation for the missed visit. When Mr M was sent a customer service satisfaction survey about how his complaint had been handled, he responded to British Gas on 16 November 2018 raising a number of concerns and queries about his warranty and policy. He wasn't happy with the response to this letter and, in emails on 23 November 2018, explained that he thought British Gas should've raised a complaint in response to his letter of 16 November and wasn't happy with the time scale of 8 weeks to look into matters and get back to him.

I understand that Mr M feels British Gas should've responded to this complaint before they had to decide if they wanted to renew their policy for the next year with it. But under the DISP rules set out in the FCA handbook, which can be found online, British Gas has 8 weeks to deal with the complaint from the point a complaint was raised. This starts from the date it was received.

British Gas logged Mr M's email of 23 November as a complaint. This gave it until 18 January 2019 to respond to the complaint. British Gas issued its final response on the complaint on 11 January 2019. So I think it was within time under the DISP rules. However, even if I thought that British Gas should've logged Mr M's letter of 16 November as a complaint when it was received, it still wouldn't have needed to respond to the complaint before Mr and Mrs M's current agreement ended on 8 December 2018.

Even so, I think it might be helpful to mention here that Mr and Mrs M aren't tied in for a year at a time. It's possible to cancel the agreement at any point throughout the contractual year. If this is done, a pro rata refund would be paid less any charges for repairs and services that have been completed.

I know Mr and Mrs M will be disappointed with this outcome. But my decision brings to an end what we – in trying to informally resolve their dispute with British Gas – can do for them.

my final decision

For the reasons set out above, I don't uphold Mr and Mrs M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 18 May 2019.

Rebecca Ellis
ombudsman