

## **complaint**

Mr G complains that British Gas Services Limited sent him unwanted marketing communications about a home emergency insurance policy.

## **background**

In 2014 Mr G opted out of receiving marketing material from British Gas. But in October 2017 he accepted the offer of free insurance from British Gas until October 2018. He complained about the communications he received at around that time. In particular he complained about a letter dated 13 November 2018.

In a final response letter, British Gas said it had offered Mr G £50.00 but he had declined that offer.

### *our investigator's opinion*

Our investigator didn't recommend that the complaint should be upheld. She thought the letter in November 2018 was confusing but she didn't think British Gas was wrong to send it to Mr G. She said she would expect customers to let businesses know that they don't want to continue with a cover. She thought that British Gas had picked up on the element of poor customer service and had made an offer of £50.00 which she thought was reasonable.

### *my (first) provisional decision*

After considering all the evidence, I issued a (first) provisional decision on this complaint to Mr G and to British Gas on 29 March 2019. I summarise my findings:

The policy terms provided that British Gas was going to renew the policy automatically.

As Mr G had taken a (free) policy in 2017 and it was automatically renewed, I didn't think the letters in 2018 about that policy were unfair or unreasonable.

I was minded that £50.00 was fair and reasonable for the distress and inconvenience British Gas caused Mr G by the shortcomings I'd identified in the way it communicated with him.

Subject to any further information from Mr G or from British Gas, my (first) provisional decision was that I was minded to uphold this complaint in part. I intended to direct British Gas Services Limited to pay Mr G (insofar as it hasn't already paid him) £50.00 for distress and inconvenience.

### *my (second) provisional decision*

After reconsidering all the evidence, I issued a (second) provisional decision on this complaint to Mr G and to British Gas on 13 June 2019. I summarise my findings:

I had changed my view about upholding the complaint and directing British Gas to pay Mr G (insofar as it hasn't already paid him) £50.00 for distress and inconvenience.

Instead I didn't intend to uphold the complaint but I expected British Gas to keep that offer open in case Mr G wanted to accept it.

Subject to any further information from Mr G or from British Gas, my (second) provisional decision was that I wasn't minded to uphold this complaint. I considered that the British Gas offer of £50.00 was fair and reasonable. I didn't intend to direct British Gas Services Limited to do any more in response to this complaint.

Mr G accepts the provisional decision. He says he has spoken to British Gas Services Limited to arrange for the compensation payment to be made.

British Gas agrees with the provisional 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.

Mr G initially took Kitchen Appliance Cover. The British Gas policy terms say that is an insurance product. The policy terms included a term as follows:

#### ***“Renewals***

*We'll write to you at least 25 days before your **agreement** is due for renewal.  
If you pay by Direct Debit, or are an Energy Extra customer, we'll keep renewing your **agreement** automatically, until you ask us to stop.”*

The welcome letter on 13 October 2017 said that the cover was free of charge. It included a statement that British Gas would write to Mr G about a month before the policy was due to end and the following statement:

*“because you pay by Direct Debit, your agreement will automatically renew unless you tell us you don't want it to.”*

The letter quoted the last digits of a sort code and bank account number.

A few days after taking Kitchen Appliance Cover, Mr G added Gas Appliance Check. The terms say that (unlike Gas Appliance Cover) Gas Appliance Check isn't an insurance product.

British Gas sent Mr G another letter. It quoted a price. It also quoted the last digits of a sort code and bank account number.

From the letters, I find that Mr G had agreed a direct debit. So the policy terms provided that British Gas was going to renew the policy automatically.

From its file, I think Mr G rang British Gas on 27 November 2017. He rang because he thought the Gas Appliance Check should also be free of charge – and British Gas agreed.

As I would expect, British Gas wrote to Mr G before the policy was due for renewal. It has shown us a letter dated 8 September 2018. It invited Mr G to contact British Gas if he

wanted to renew or to make changes. It said that if he renewed, he could still cancel within fourteen days.

Mr G says he no longer wanted the cover – so he let the policy expire. But he hasn't said he contacted British Gas to cancel it. And I think British Gas renewed the policy in line with its terms.

Both Mr G and British Gas have shown us a postcard sent after the policy renewal date. It invited him to get covered again. That was on about 4 November 2018. It's not consistent with the policy having been renewed.

There was a short telephone call on 13 November when Mr G declined to answer security questions. British Gas has accepted that it could've handled the call better.

On 13 November 2018, British Gas wrote a letter to Mr G. It gave details of the cover that it said was in place for the year from October 2018 – and of the cost of about £185.00. Mr G contacted British Gas. He complained that the letter implied that he owed that amount to British Gas.

I take into account the relevant law including the recent data protection regulations. I also take into account the opt-out request Mr G had made in 2014. And I accept that British Gas was – in reality - trying to sell Mr G cover for the year from October 2018.

But I also take into account the policy terms. As Mr G had taken a (free) policy in 2017 and it was automatically renewed, I don't think the letters in 2018 about that policy were unfair or unreasonable.

British Gas cancelled the cover – which is what Mr G wanted. On 18 November 2018 it sent a letter confirming the cancellation.

From what Mr G says, and from the British Gas file, I find that on a telephone call on 21 November, British Gas didn't distinguish properly between the Financial Ombudsman Service and the Financial Conduct Authority.

Mr G says there were other communications including texts and calls. But neither he nor British Gas has shown us details of any other letters or texts. So I can't agree that there was an unreasonably large volume of communication from British Gas.

I find that British Gas had given contradictory and confusing information. And British Gas accepts that it could've handled calls better. In its final response letter British Gas accepted that it had given poor service. And it had offered Mr G £50.00 which he had declined.

On balance I find that £50.00 was a fair and reasonable offer for the distress and inconvenience British Gas caused Mr G by the shortcomings I've identified in the way it communicated with him. I expect British Gas to keep that offer open in case Mr G wants to accept it.

### **my final decision**

For the reasons I have explained, my final decision is that I don't uphold this complaint. I consider that the British Gas offer of £50.00 was fair and reasonable. I don't intend to direct British Gas Services Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 28 July 2019.

Christopher Gilbert  
**ombudsman**