

## **complaint**

Mr and Mrs S have complained that British Gas Insurance Limited made an error in setting up their insurance after they'd moved house.

## **background**

Mr and Mrs S had insurance policy through British Gas. And when they moved home they cancelled their old policy and set up a new policy in February 2018 for their new address.

Later that year in September, Mr and Mrs S became aware that the direct debit hadn't been taken for the insurance and they called up British Gas to find out what had happened.

Mr and Mrs S felt that British Gas weren't taking the issue seriously enough and asked for a manager to call them back – but this didn't happen. Following further discussions a complaint was set up and British Gas investigated the complaint, it offered Mr and Mrs S £50 for the way it initially dealt with their complaint.

British Gas' investigation of the case found that an online application had been made for the insurance and that when the direct debit had been setup, it was one digit different to Mr and Mrs S' correct bank details. However, it hadn't noticed that the premiums hadn't been collected from Mr and Mrs S' account until Mr and Mrs S contacted them. British Gas confirmed that it would've covered Mr and Mrs S for the months where payment hadn't been taken and it also agreed to waive the premiums that would've been paid if things had been setup correctly at outset.

Mr and Mrs S were unhappy with this and felt they ought to be compensated for more than the £50 offered.

Our investigator looked at the complaint and didn't think that British Gas needed to do anything more and so didn't uphold the complaint. However, Mr and Mrs S disagreed, they felt they should've been compensated for having to make a complaint. And because British Gas didn't pick up the fact that the bank details were incorrect and alert them earlier.

## **my findings**

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

Before I discuss the issue with the direct debit, I'll address the £50 that British Gas has already offered and the £100 that Mr and Mrs S think they should be paid due to having to raise a complaint.

British Gas offered the £50 because of the way it initially dealt with Mr and Mrs S' complaint – failing to call back, setting timescales it didn't stick to and then failing to log a complaint. As this is about the initial handling of the complaint and not related to the merits of the complaint, I don't think this is something I need to consider. And so the matter of whether the £50 is accepted or not is for Mr and Mrs S and British Gas to sort out between them.

With regards to Mr and Mrs S wanting additional compensation for having to complain, raising a complaint is a choice. And because of this, it's not something we'd usually recommend compensation for as this applies to every single case we see. However, I have

considered whether British Gas has made an error that has caused Mr and Mrs S a financial loss and/or additional trouble and upset that wouldn't otherwise have been caused had it acted correctly.

Having done so I don't think British Gas needs to do anything further to resolve this case. I appreciate Mr and Mrs S might be disappointed with this but I'll explain why.

The event that started this complaint was the setting up of the direct debit for Mr and Mrs S' British Gas insurance policy for their new home. On investigation British Gas found that the application had been made online. But the bank details entered were incorrect by one digit, which was why Mr and Mrs S' account hadn't been debited for the premiums.

Ultimately, on the balance of probabilities and with the bank details only been out by one digit, it seems that when completing the online application Mr and Mrs S made an innocent mistake when inputting their bank details for payment. As this wasn't British Gas' mistake it would be unfair to hold it responsible for this.

Unfortunately, this wasn't picked up by British Gas and it wasn't until sometime later that Mr and Mrs S realised the payments hadn't been taken. I understand that the incorrect bank account details were for an account number that didn't actually exist, so no payment was taken from Mr and Mrs S' account or from anyone else's for that matter.

I think it would be fair to say that you'd usually expect a business or the business' bank to realise that payments weren't being received and to contact its customer to request payment. But for some reason this didn't happen on this occasion. However, what's important for me to consider is the impact this had on Mr and Mrs S and not why this happened – that's a matter that only concerns British Gas.

British Gas has confirmed that Mr and Mrs S would've been protected if something covered under the policy had gone wrong, even though it hadn't received payment. And in any event Mr and Mrs S didn't make a claim during this period, so the missed payments had no effect on their policy. British Gas has also written off the payments missed due to the incorrect bank details being added even though it wasn't its error.

Mr and Mrs S' issue with the direct debit has now been corrected and the policy is working as it should. As Mr and Mrs S haven't lost out because of what happened, I don't think any further action is necessary.

I know that Mr and Mrs S want compensation for the missed payments not being picked up earlier and for having to complain. But Mr and Mrs S have actually benefited from this financially; in fact they've not had to pay around six months' worth of premiums. And as I explained before having to complain was a choice and not something this service usually awards compensation for.

In conclusion, I think British Gas has been fair and reasonable in the way it's resolved the issue and so it follows that I don't uphold this complaint and make no award.

### **my final decision**

For the reasons explained above I do not uphold this complaint.

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

Simon Hollingshead  
**ombudsman**