

complaint

Mrs R's complaint is about the service of British Gas Insurance Limited in relation to her central heating insurance policy. Mrs R is represented in this complaint by her son, Mr R.

background

Mrs R held the policy with British Gas in joint names with her late husband. In June 2017, her son contacted British Gas to instruct it to cancel the policy as Mrs R no longer wanted it. British Gas told her son it would cancel the policy but it wouldn't be able to stop the forthcoming direct debit in time. It would, however, refund this to Mrs R within a couple of weeks.

I understand, the direct debit left Mrs R's account around 5 July 2017. Towards the end of July 2017 she hadn't received the refund so her son contacted British Gas. They say British Gas agreed to refund the premium directly into her bank account. However, instead British Gas sent a cheque for the premium amount on 7 August 2017 – the covering letter and cheque were addressed to Mrs R's late husband.

Mrs R's son contacted British Gas again and explained the cheque could not be presented, as there was no longer any account in his father's name; and in any case, British Gas had said it would refund the money to Mrs R's account.

Mrs R said the refund had still not been paid, despite further requests and so Mrs R brought the matter to our attention in February 2018. After it was referred to us, British Gas agreed to send a cheque payable to Mrs R for the premium refund; and additional £50 as a goodwill gesture.

One of our investigators looked into the matter. He said there was no evidence that British Gas knew that Mrs R's husband was no longer with her when it issued the cheque, as there was no indication in the papers provided that it had been told this. However, Mrs R's son did tell them this in August 2017 and yet British Gas still addressed the response to their complaint to Mrs R's husband. The investigator also thought there had been unnecessary delay in paying the refund. He therefore recommended that British Gas reimburse the premium, together with interest at our usual rate; and pay £250 compensation (to include the £50 offered) for the distress and inconvenience caused by the matter.

Mrs R has confirmed she accepts the investigator's assessment.

British Gas does accept that some additional compensation is warranted but has suggested a total of £150 is more appropriate. There was some discussion between the investigator and British Gas but it was not prepared to agree any higher award. The matter has therefore 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.

It should have been a relatively straightforward administrative task for British Gas to cancel the policy and process a refund of one month's premium. However, after just over six months it appears this has still not been done. I can understand why the direct debit may

have still been taken, it is not generally possible to cancel a direct debit with immediate effect. However, the amount should have been refunded promptly. Instead Mrs R has had to keep chasing this. I have seen a note on British Gas's file which says the premium was credited back to Mrs R's account in November 2017, but Mrs R said in February 2018 that it was still not paid; and British Gas said in response to the complaint that it would send another cheque payable to Mrs R. So it seems to accept that it was not repaid then.

In addition, British Gas continued to send correspondence addressed to Mrs R's husband, even after being told that he has passed away. This was entirely avoidable and unnecessary.

It is sometimes difficult to assess an exact amount that is appropriate to reflect such matters but I can see Mrs R was caused additional inconvenience and distress that really should have been avoided. British Gas suggested an increase of compensation to £150 but I agree that the compensation of £250 proposed by the investigator would be reasonable in all the circumstances of the complaint.

my final decision

I uphold this complaint against British Gas Insurance Limited and require it to:

- reimburse the premium (if not already done) together with interest at 8% simple per annum, from the date the premium was taken to the date of reimbursement; and
- pay £250 compensation for the distress and inconvenience caused to Mrs R by its handling of the matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 28 April 2018.

Harriet McCarthy
ombudsman