

complaint

Mr H complains that British Gas Insurance Limited is responsible for poor service in connection with a home emergency insurance policy.

background

Mr H had a British Gas HomeCare policy. The policy covered his central heating and an annual boiler service. It also covered home electrics. There was a fixed fee or policy excess of £60.00 for each completed repair.

Where I refer to British Gas I refer to the insurance company of that name and I include engineers and others for whose actions I hold that company responsible.

Mr H asked British Gas for an annual boiler service and for help with a bathroom extractor fan. He complained that British Gas gave poor service – and a fan that wasn't satisfactory. British Gas paid Mr H £50.00.

Mr H complained that British Gas inappropriately chased him for payment of £60.00. In a final response letter, British Gas said it was sending a further £30.00.

our investigator's opinion

Our investigator recommended that the complaint should be upheld. She thought that British Gas provided a poor level of customer service. Mr H had experienced a great amount of unnecessary trouble and upset in sorting this matter out in addition to the impact it may have had on his credit file. The investigator recommended that British Gas should - in addition to the £50.00 he had already received - pay Mr H a further £450.00 to reflect the trouble and upset Mr H had experienced.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr H and to British Gas on 20 August 2019. I summarise my findings:

I didn't think that British Gas treated Mr H fairly by not replacing his fan like for like.

I thought Mr H ended up paying for a new centrifugal fan.

I didn't think British Gas should've chased Mr H for payment of the £60.00 excess after 18 October.

I didn't doubt that Mr H was put to some inconvenience and distress about his credit rating.

Subject to any further information from Mr H or from British Gas, my provisional decision was that I was minded to uphold this complaint in part. I intended to direct British Gas Insurance Limited to:

1. (if he provides an invoice or other third party documentation to show what he paid):
 - 1.1 reimburse Mr H for the new centrifugal fan; and

- 1.2 pay simple interest on that amount at a yearly rate of 8% from the date Mr H paid it to the date British Gas reimburses him. If British Gas considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it must tell Mr H how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
2. pay Mr H – in addition to the £80.00 already paid - a further £170.00 compensation for distress and inconvenience.

Mr H disagrees with the provisional decision in part. He says, in summary, that:

- He received and cashed a British Gas cheque for £50.00 gesture of good will (GoG).
- He received but did not cash a cheque for £30.00 GoG.
- There was no requirement for the Home Care engineer to attend on 25 September 2018.
- British Gas cancelled, re-scheduled and mishandled appointments.
- It was fortunate that the debt management referral did not take place while he was employed in a role where he would have to declare it to his employer or it would have had a substantial impact on his career.
- With the amount of time, effort and stress he has spent on this complaint over the last 15 months, our compensation assessment doesn't go far enough.

British Gas agrees with the provisional decision. It says, in summary, that due to an error on the engineer's part, an incorrect extractor fan was fitted.

my findings

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

From what Mr H has said, I think he has a bathroom ventilated only by an extractor fan (and the door to the room). I don't think the fan was an axial fan (with a simple rotating blade). I think it was a more powerful centrifugal fan (with a rotating drum containing many blades).

Mr H's HomeCare Four policy was renewed in November 2017. There was cover for home electrics. The renewal letter said it excluded extractor fans more than 15cm in diameter.

In November 2017 the relevant British Gas terms were those dated September 2017. They confirmed cover for extractor fans up to 15 cm diameter. They contained the following term about payment of the fixed fee or excess:

*"When we book your **repair**, we'll ask to preauthorise your debit or credit card for any **excess** or **fixed fee**...We won't put the charges through until after we complete the **repair**. If we've reason to believe that the people living in your **home** are vulnerable or at risk, we'll send an engineer out even if we haven't been able to pre-authorise a debit or credit card – and send you an invoice for the **excess** or **fixed fee** after we've completed the **repair**"*

The British Gas September 2017 policy terms contained the following definition:

"replacement/replace/replacing

- in the case of Kitchen Appliance Cover we'll provide a contribution towards a replacement appliance with similar functionality from our approved supplier.
- where we replace your boiler, appliances (not those covered under Kitchen Appliance Cover) or parts with a British Gas approved standard alternative. We'll provide replacements with similar functionality but not necessarily an identical make and model or type of fitting.
In the case of internet enabled boilers, appliances or parts, replacements will only be from the British Gas or Hive range. If we're unable to provide a boiler, appliance or part with similar functionality we'll install a new and unused like for like alternative that you provide, but we'll only accept responsibility for our workmanship."

The British Gas September 2017 policy terms contained the following term:

"Spare parts

*We'll provide **replacements** with similar functionality but not necessarily the same features or an identical make and model or type of fitting. For example, we may **replace** a specific design of tap with a standard one from our range or **replace** electrical fittings with our nearest white, brass or chrome version. Or you can give the engineer a **replacement** part that you've bought yourself, that we approve. We'll try to get parts from the original manufacturer or our approved suppliers. If we can't get hold of the parts we need we may need to cancel your **agreement** (or part of it) unless you're eligible for a **replacement**."*

I've read those terms several times and I don't think they're as clear as they should be. So I'm not persuaded that they mean that British Gas only has to provide parts from its range, its suppliers or its approved list. And I don't accept that an axial fan has the same functionality as a centrifugal fan.

In around late May 2018, Mr H used a British Gas app on his phone to book a boiler service. I accept his statement that the app wrongly booked a call-out for a breakdown. British Gas corrected this to an annual service. But I accept Mr H's statement that British Gas agreed an appointment for 5 June, but didn't attend because it had booked a visit on 5 July. From what Mr H has said, I think he cancelled that visit.

Later Mr H called for help with his bathroom fan. I accept his statement that British Gas agreed an appointment for 15 September for the annual service and the fan. But the engineer could only do the annual service as he wasn't an electrician. Mr H complained at that time. British Gas offered him £30.00 - but didn't send it.

Mr H has said that he ignored a communication from British Gas. So I don't hold it responsible for the fact that he wasn't home for a visit on 25 September 2018.

On 3 October British Gas fitted a new fan. I think that was its standard axial fan. It wasn't centrifugal and – after using it - Mr H wasn't happy with its performance. Mr H has identified the model of his old fan. From that, I'm satisfied that Mr H's old fan was of a diameter of 15cm or less. And I'm satisfied that a replacement was available from the manufacturer Mr H has identified. Therefore I don't think that British Gas treated Mr H fairly by not replacing his fan like for like.

I've seen British Gas letters to Mr H dated 4 October enclosing an invoice for £60.00 and dated 17 October with an invoice reminder.

On 18 October Mr H complained about what had happened – including that he had received a policy renewal letter saying he was on HomeCare Two (which didn't include home electrics). In a webchat, British Gas said it couldn't write off the £60.00 charge. But it offered a £50.00 gesture of goodwill. And it arranged a further visit for 31 October to fit a new extractor. It agreed that Mr H didn't have to pay the £60.00 excess until after the fitting of the replacement extractor – and there wouldn't be another £60.00 excess.

In the event, British Gas visited again but it didn't fit a second replacement fan. I think that was because it wasn't offering to source or fit a centrifugal fan. Again, I don't think that British Gas treated Mr H fairly by not replacing his fan like for like. And I think Mr H ended up paying for a new centrifugal fan.

As it hadn't replaced the fan like for like and it hadn't replaced the fan after the webchat on 18 October, I don't think British Gas should've chased Mr H for payment of the £60.00 excess.

I accept Mr H's statement that in November 2018, British Gas sent him a letter asking him to pay £60.00 within seven days – otherwise British Gas would instruct a debt collection agency. I accept that British Gas posted the letter but Mr H didn't receive it until a day after the expiry of the seven-day deadline.

Mr H complained to British Gas and on about 13 November it said that the invoice would be "locked".

However, in December British Gas sent further reminders to Mr H. I don't think it should have chased for payment after 18 October. And I don't doubt that Mr H was put to some inconvenience and distress about his credit rating.

I've thought about what it's fair and reasonable to direct British Gas to do to try to put things right for Mr H.

First, I find it fair and reasonable to direct British Gas to reimburse Mr H if he provides an invoice or other third party documentation to show what he paid for the new centrifugal fan. As he's been out of pocket for some time, I will direct British Gas to add simple interest at our usual rate.

Secondly, I find that a total of £250.00 is fair and reasonable compensation for the distress and inconvenience caused to Mr H by the shortcomings I've identified in the way British Gas treated him.

my final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct British Gas Insurance Limited to:

- 1 (if he provides an invoice or other third party documentation to show what he paid):
 - 1.1 reimburse Mr H for the new centrifugal fan; and
 - 1.2 pay simple interest on that amount at a yearly rate of 8% from the date Mr H paid it to the date British Gas reimburses him. If British Gas considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it must tell Mr H how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
- 2 pay Mr H – insofar as it hasn't already paid him this amount- £250.00 compensation for distress and inconvenience

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 October 2019.

Christopher Gilbert
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