

complaint

Ms A's complaint arises from a home emergency insurance policy held with British Gas Insurance Limited.

background

I issued a provisional decision on this matter in November 2019, part of which is copied below:

"Ms A contacted British Gas in March 2018, as she had accidentally cut through a wire which connected to her burglar alarm and she wanted British Gas to fix it. An appointment was made however the engineer contacted her before the appointment and told Ms A that the policy doesn't cover burglar alarms and so there was no point in him attending. In April 2018, Ms A contacted British Gas to arrange the annual service of her boiler and at the same time mentioned the cut wire again. She was told that accidental damage to wiring is covered and another engineer was booked to attend her property between 12pm and 6pm. He had not arrived by 6.20pm, so Ms A phoned British Gas and was told he was on his way. Ms A says he arrived after 7pm and told her that as the wire was to the burglar alarm, it was not covered and he could not repair it under the policy.

Ms A was not happy with this and has also complained about the amount she pays for her policy. She says the same cover is being offered to new customers for less than half the amount she is paying, which is unfair. She also says she has often had to pay for repairs herself and visits have resulted in no work done by British Gas. Ms A has asked for reimbursement of the year's premiums; reimbursement of the cost of her own electrician to repair the burglar alarm (£130); and reimbursement of the premiums she's paid over and above those charged to new customers.

British Gas accepted that the appointment should not have been made. It apologised and offered Ms A £30 as compensation for the inconvenience this caused.

One of our investigators looked into the matter. He did not consider that Ms A had been treated unfairly in respect of the policy premium. However, he did recommend that the complaint about the handling of the electrical claim be upheld. He recommended that British Gas pay an additional £70 compensation (so £100 in total) as compensation for the inconvenience caused to her.

British Gas doesn't accept the investigator's recommendation, so the matter has been passed to me.

British Gas says that during the second call when Ms A phoned to book her annual service, she mentioned again that a wire had been accidentally cut but did not say it was for a burglar alarm. Although she told the call-handler cover had been refused for the issue, she didn't say why. If she had said this, she'd have been advised this wasn't covered but instead an appointment was made. Ms A had already been told it wasn't covered but then tried to book a second visit. Its call-handlers will normally make an appointment rather than refusing to send anyone out, as it is better for the contractors to see the problem at the property before making decisions about cover. It says the £30 already offered is therefore sufficient compensation.

my findings

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

The policy Ms A holds says, among other things, "what is not covered...Electrical appliances, burglar alarms and camera systems". I consider it to be clear that burglar alarms are not covered and therefore the engineers were correct.

Given this, I am not persuaded that British Gas should reimburse the costs Ms A incurred in having the burglar alarm repaired.

British Gas says that it would not have booked the second appointment, if Ms A had stated that the cut wire was for a burglar alarm.

Ms A didn't phone to challenge the decision not to cover the burglar alarm. Although she apparently told the call-handler that cover had been denied previously, she did not explain why or question the reason. The call-handler could perhaps have made further enquiries and looked into the reasons for previously refusing cover. However, I do not consider that it acted unreasonably in sending an electrician out to assess the situation. Agreeing to send an electrician out is not a guarantee that a claim will be met. Ms A wanted an electrician to come out and was hoping that she would get a different response to her claim, as she did not accept that burglar alarms are not covered. Ms A was already aware it was potentially not covered. Overall, I consider the compensation offered by British Gas to be reasonable in all the circumstances. Ms A is very disappointed her claim was not met but I do not agree that this warrants any additional compensation.

Ms A is also unhappy with the premium she has been charged compared to some new customers and that her policy has become more expensive over the years. As the investigator confirmed these were mainly as a result of a rise in the base price of the cover and Ms A was treated the same as other similar customers. Ms A says that new customers would be charged less but businesses are entitled to offer incentives, such as discounts, to attract new customers. I am also satisfied that Ms A was informed when the price was increased and would therefore have had the option to decline the policy at each renewal, if she didn't want it at the price proposed.

my provisional decision

I do not intend to uphold this complaint as British Gas insurance Limited has already made a reasonable offer of compensation."

responses to my provisional decision

I invited both parties to respond to my provisional decision with any further or information or arguments they want considered.

Ms A is very unhappy with my provisional decision and has made a number of submissions, which I've summarised below:

- a recording of both calls she made (i.e. booking both appointments) should be obtained as a matter of urgency and before final decision is made, as it will show British Gas knew why she had asked for an electrician.

- I stated that British Gas would not have booked the second appointment if they were aware what it was related to. She is dismayed by this and it seems I am suggesting that she "*hoodwinked*" the call-handler into arranging the second appointment. She did not withhold any information from the call-handler and expressed surprise when they said it should have been covered.
- She is perplexed that I and British Gas believe she had time to waste on a second visit that would have the same outcome.
- She was expected to wait in all day and British Gas failed to turn up within the time stated, so she had to leave and her mother met with the contractor.

I asked British Gas for recordings of the relevant phone calls but it has told us they are no longer available. It has not added anything further in response to my provisional decision.

my findings

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

I did not say that that British Gas wouldn't have made the second appointment if it had known what it related to, as Ms A has stated. I acknowledged in my provisional decision that British Gas could have made further enquiries with Ms A about why the claim had been refused after the first visit but didn't. However, I concluded that it had not acted unreasonably in agreeing to send an electrician out to assess the situation. Ms A says this wasted her time but this is only because the outcome of this visit was not as she had hoped. The agreement to send an electrician out was not a guarantee from British Gas that the claim would be met. Ms A is disappointed that her claim was not met. I remain of the opinion that the offer already made by British Gas is reasonable and I am not persuaded that any further compensation is warranted.

I also remain of the opinion that British Gas has not acted unfairly in relation to the pricing of Ms A's policy.

my final decision

I do not uphold this complaint as British Gas insurance Limited has already made a reasonable offer of compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 31 December 2019.

Harriet McCarthy
ombudsman