

complaint

Mr M has complained about British Gas Services Limited's cancellation of insurance to maintain and repair his boiler. He's also unhappy about its work relating to his existing boiler and quote for a new boiler.

background

In March 2015 Mr M contacted British Gas as his boiler was leaking and he wanted to discuss options for getting it repaired. British Gas gave him two options:

- a one off repair where he would pay for the parts and labour at a specified rate, or
- a repair and cover option where it repaired the boiler for £99 with parts and labour included, on the condition that Mr M bought a 12 month HomeCare policy

Mr M chose the repair and cover option. An engineer came the next day to carry out the repair but couldn't do it as arranged because he identified the boiler as being 'at risk'. Mr M was told this meant the boiler wasn't suitable for the HomeCare policy. The engineer gave Mr M a quote for the repair work needed and arranged for someone to give a quote for a new boiler. British Gas cancelled the policy and refunded the premium Mr M had paid.

Mr M complained to British Gas saying:

- if it could provide a quote to repair the boiler it should be able to do the work under the repair and cover option as agreed
- it had mis-sold the policy
- he hadn't received his full refund
- it wrongly classified his boiler as 'at risk'
- the person who quoted for a new boiler was inexperienced
- he wanted compensation for his stress and the inconvenience it had caused.

British Gas didn't respond so Mr M complained to us. British Gas acknowledged that although it had refunded Mr M his policy premium of £21 it hadn't refunded the £99 which he paid for the repair that hadn't happened. As well as that £99, it offered £100 compensation for the delay in paying the refund and not responding to his complaint.

Our adjudicator said that the 'at risk' classification of the boiler and the quote for a new boiler aren't 'regulated activities' so we couldn't look at Mr M's complaints about those two matters. We could look at his complaint about the HomeCare policy. The policy said that if the 'First Service' revealed a problem British Gas could tell Mr M what work was needed, cancel the agreement and refund any money he had paid. So the adjudicator thought that the engineer had acted in line with the policy terms. She also thought £100 compensation was reasonable. She couldn't see evidence the policy had been mis-sold. But even if it had been, she would have recommended the policy be cancelled and the premiums refunded which is what British Gas had done.

Mr M didn't agree. He said the incorrect assessment of his boiler led to the incorrect cancellation of the policy. He wants compensation to put him in the same position had the boiler been repaired under the policy. He noted that the policy said a 'First Service' wouldn't be carried out if a 'First Service' or 'Annual Service' had been done in the previous 12

months. He said his central heating system had been serviced by British Gas only two months before. This meant the engineer's visit was to carry out the repair, not for British Gas to decide if it could enter into the policy.

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 adjudicator has correctly explained that we aren't able to look at Mr M's complaints about the two 'unregulated activities'. Our rules mean we have no power to look at those two issues.

I have to decide whether British Gas's cancellation of the policy and offer of £100 compensation is fair. I'm sorry to disappoint Mr M but I think that British Gas has acted fairly and made a reasonable offer.

The policy says that at the 'First Service' British Gas will inspect the boiler and heating system to sure they are safe and can be included under the policy. If that service reveals a problem (such as a boiler that it can't get parts for, or systems not installed safely) British Gas can:

- tell Mr M what work was needed and what it will cost to do that work
- offer a different product which will not include the parts of the system causing the problem; or
- cancel the policy and refund any money paid.

The policy does say that this First Service won't be carried if there has already been a 'First Service' or 'Annual Service' in the previous 12 months. 'First Service' and 'Annual Service' are defined under the policy as being services during the time of the policy. The service that Mr M's boiler had in January 2015 doesn't fall within that definition as that wasn't under the policy.

So when the engineer assessed the boiler as 'at risk' on his 'First Service' under the policy in March 2015 British Gas could cancel the policy and should have refunded the money Mr M paid.

British Gas was aware from the January 2015 service that the boiler was 'at risk'. So I can understand why Mr M is frustrated to have been offered the option of buying a policy in March. British Gas's argument is that its call centre agent, who offered Mr M the option of buying the policy, wasn't able to assess whether the boiler was suitable for cover. But if the agent had the information that the boiler was already classed as being 'at risk' (it's not clear that it did) there was no point in offering the policy to Mr M. The remedy for the policy being mis-sold is cancellation of the policy and a refund of the money Mr M had paid. That's what happened in part and British Gas has accepted it overlooked refunding the £99 which it should now pay if it hasn't already.

As to compensation, Mr M strongly believes that this whole episode was caused by British Gas's wrongly classifying his boiler as being 'at risk'. We've explained that we can't look at whether the classification is correct. So it's not an issue I can take into account when looking at what compensation should be payable for Mr M's upset and inconvenience due to British Gas's poor service. There are two issues of poor service that I can look at; its delay in the

paying the full refund and its failure to respond to his complaint. £100 is reasonable compensation for that poor service.

my final decision

British Gas Services Limited has made a fair offer to refund Mr M the £99 it owes following the cancellation of the policy and pay £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 December 2015.

Nicola Sisk
ombudsman