

complaint

Mr B complains that British Gas Insurance Limited mishandled his home care policy.

background

Mr B complained after British Gas downgraded his cover from HomeCare 400 to HomeCare 100.

The adjudicator did not recommend that the complaint should be upheld. She concluded that British Gas downgraded Mr B's cover in line with the policy conditions. She said that British Gas had made a fair and reasonable offer as a gesture of goodwill.

Mr B disagrees with the adjudicator's opinion. He says, in summary, that British Gas should have investigated the cause of a leak.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The Financial Ombudsman Service sees many insurance policies which are for fixed periods of one year but which also allow the insurer to cancel the policy before the end of that period.

I have seen British Gas policy terms including the following:

"6.3 Our cancellation rights

We may cancel your Agreement in the following circumstances:

...

- If permanent repairs or improvements we tell you are needed are not completed.*

If we cancel at the First Service, we will give you a full refund of any money you have paid. If we cancel your Agreement at any time after your First Service, we will refund any money you have paid for the time left to run in your current Period of Agreement."

I do not find that term unfair in itself.

I have seen a British Gas note from late April 2013 as follows:

"EEA Outcome DECLINED".

From this, I find that British Gas had given energy efficiency advice which Mr B had not accepted. I find it likely that the advice included the need for many old pipes to be replaced with new ones.

Therefore, keeping in mind the terms of the policy, I do not find it unreasonable that British Gas cancelled his HomeCare 400 cover.

British Gas wrote to Mr B to say that his cover was HomeCare 100. Its payment summary included the following:

*“This agreement runs from:
12 January 2013 to
11 January 2014”*

But I do not share Mr B’s view that this downgrade was backdated to his disadvantage. I am satisfied that he had the benefit of the Homecare 400 policy up until late April 2013. As he was paying by monthly instalments, he had not pre-paid for the months after that date. I am satisfied that he then paid a lower monthly amount.

I have seen a British Gas quotation to replace a radiator around Christmas 2013. I accept that it was not covered by the downgraded policy.

British Gas has paid Mr B about £70 as a goodwill gesture. I do not think that it would be fair and reasonable to order British Gas to do anything more in response to this complaint.

Mr B has made some new points in his complaint and, in my view, has sought to broaden it since he brought it to us. I consider that it did not initially include a complaint that British Gas had failed to diagnose a leaking overflow pipe. As British Gas had not had an opportunity formally to respond to that complaint before he brought it to us, I do not consider that it would be fair for me to make any decision on that point.

my final decision

For the reasons I have explained, my final decision is that I do not uphold this complaint. I make no order against British Gas Insurance Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr B to accept or reject my decision before 13 July 2015.

Christopher Gilbert
ombudsman