

complaint

Mr K complains on behalf of Mr A and Mr C about a Home Care policy taken out with British Gas Services Limited ("British Gas"). Mr A and Mr C would like a refund of the policy.

background

The policy was taken out in June 2011. Under the terms and conditions, the boiler should've been serviced annually, including a first visit within 48 days of the beginning of the policy.

An engineer attended the property twice in July 2011 but as no-one was home, no service took place. The policy was renewed in 2012 and 2013. British Gas wrote to Mr A and Mr C in September 2012 asking them to book an annual service, otherwise it would be moved to the following year. British Gas wrote in October 2013 and November 2013 asking for the annual service to be booked in. A further letter was sent in December, again explaining that if no response was received, the service would be moved to the following year. No service was booked in 2012 or 2013.

The policy was renewed again in June 2014 and an inspection took place in September 2014. As the flue was in a void, the boiler was classed as at risk.

The policy was renewed again in June 2015 and inspected in April 2016. Again the same issue was recorded with the flue. The policy was cancelled by the policyholders in April 2016.

Mr A and Mr C would like a refund of their premiums because for three years the boiler wasn't serviced and an engineer told them the boiler wasn't eligible for cover.

British Gas accept that annual services weren't carried out in 2011, 2012 and 2013. They have offered to refund the cost of them. British Gas say the boiler was covered throughout this period, even though the services didn't take place. They say the safety issue with the flue, did not invalidate the cover under the policy. So Mr A and Mr C would still have been able to make a claim for repair to the boiler had they needed to.

Our investigator considered the complaint and decided not to uphold it. She thought British Gas had done enough to arrange annual service visits and the offer to refund the cost of three was fair. As the boiler had been covered under the policy throughout, our investigator thought it wouldn't be fair and reasonable to refund the full cost of the premiums.

Mr K disagrees with this view, so the matter has come to me for a final decision.

my findings

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

refund of premiums

British Gas have confirmed this boiler type was eligible for cover under a Home Care policy. The policy was sold on a non-advised basis, so it was for Mr A and Mr C to satisfy

themselves that it met their needs. Mr A and Mr C chose to buy the Home Care policy and I can see they went onto renew it each year.

I've taken into account that no service inspection took place until 2014, but British Gas say that lack of service didn't affect the cover provided.

I don't know what was said at the time the boiler was inspected but even if the engineer had said the policy was unsuitable, I don't think that was right. Under the terms and conditions, even if a safety issue was identified, all other cover kept running. So whilst it's likely the flue wouldn't have been covered, the boiler remained covered during the 2011-2014 period. Mr A and Mr C would still have been able to claim on the policy if something had gone wrong with it.

Also, when Mr A and Mr C were told about an issue with the flue they didn't cancel the policy and in fact renewed it for a further year. So I don't think this made a difference to them at the time.

As Mr A and Mr C continued to get the benefit of the boiler cover, I agree with our investigator that it wouldn't be fair and reasonable to ask British Gas to refund the premiums paid.

refund of cost of missed services

It's not disputed that the annual service was missed in 2011, 2012 and 2013. I can see that an engineer attempted to visit twice in 2011. In 2012 and 2013 letters were sent to the property asking the policyholder to get in contact to arrange a date for service (as set out above). Under the terms of the policy, British Gas would try to get hold of the policy holder up to 3 times and if no response was received, they wouldn't try again. But the policyholder could contact British Gas at any time to arrange the service. I think things could've been done better in 2011, as I can't see what attempts were made to contact the policyholders before the engineer came out. But I think British Gas did make reasonable attempts to set up an annual service in 2012 and 2013.

British Gas have offered to refund the cost of three missed annual services at £156. I think that's fair and reasonable, so I won't be asking them to do anymore.

my final decision

I appreciate that Mr A and Mr C will be disappointed but for the reasons I've given, I'm not upholding this complaint. So British Gas Services Limited doesn't need to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mr C to accept or reject my decision before 2 June 2017.

Sarah Tozzi
ombudsman