

complaint

Ms F's complaint is about the way British Gas Services Limited (BG) renewed her Homecare Policy.

background

In early November 2016, BG sent Ms F a renewal quote for Ms F's policy for the property she rented out at a significantly higher premium than the previous year. But BG sent the renewal documents to the rented property, rather than her correspondence address, and she never got them. On 28 December 2016, BG took the first monthly premium of £39.22 by direct debit. On 31 December, it sent her a confirmation of renewal, this time to the right address, and she immediately complained.

BG accepted that it had sent the renewal notice to the wrong address through a systems error and that Ms F had asked it several times previously to correct its records. BG said it would pay her £50 compensation and offered her a 30% discount on her premium. Our adjudicator felt that BG had treated Ms F fairly and she referred her complaint to an ombudsman.

In my provisional decision I said that our adjudicator had thought it was fair for BG to keep the £39.22 taken as the first direct debit payment because she believed Ms F had accepted BG's offer to renew the policy at a 30% discount and that payment had been taken into account in calculating the discounted payments for the rest of the policy period.

I said it had become clear that isn't what happened and that Ms F declined BG's offer and didn't renew her Homecare policy. On that basis, I thought BG should give her the £39.22 back. I also said that the £50 compensation BG has already offered was for not updating its records despite Ms F asking it to and the trouble she was caused by the renewal notice going to the wrong address. I said she was still due to have the £39.22 for a renewal she didn't agree to returned to her. And I thought she was also due another £50 compensation for the additional trouble she'd been caused by BG not returning the direct debit payment when she didn't accept its offer of a discounted renewal.

my findings

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

In its response to my provisional decision, BG told me that Ms F had continued to pay for the policy and had renewed again in December 2017. As evidence it sent me a copy of payment records showing monthly premiums paid by Ms F every month since the 2016 renewal. However, these payments were for the separate policy (with separate policy number) for her main residential address. This is ironic as her complaint started with BG failing to distinguish between her two different policies.

In its evidence, BG has also sent me a work history report showing a record of inspections and work carried out for Ms F. This record doesn't have a policy number but it appears that it may relate to the boiler at the rental property because that's the address stated. This record doesn't show any work carried out at the rental property for nearly a year after the 2016 renewal date. That's consistent with Ms F's account that she didn't renew the policy with BG in 2016 - and so didn't accept the 30% discount offer or gain any benefit from the £39.22

direct debit it had taken - but, sometime later, took another policy for that address with BG. It doesn't provide any support for BG's account that Ms F had in fact accepted its discounted 2016 renewal offer and so received benefit for the direct debit payment it took.

One on hand I have Ms F telling me that she did not accept that offer, didn't get any benefit for the direct debit payment taken in December 2016 and only later took out another policy for that property with BG. On the other hand I have BG telling me that she did accept that renewal offer but BG has a history of confusing Ms F's residential and rental accounts, the payment records it sent me as evidence were for the wrong account and it hasn't provided any evidence that shows that the policy was renewed.

When there is a disagreement as to a matter of fact, we have to decide what we think is most likely to be the case on the basis of the evidence available to us. Given the history of mistakes BG has made with these accounts, its submission of incorrect evidence and the absence of any evidence to show that Ms F did accept the discounted 2016 renewal offer, I think the most likely case is that she didn't renew her policy in 2016 and BG should return the £39.22 direct debit it took. In the circumstances I don't see any reason to change my provisional decision.

my final decision

My final decision is that British Gas Services Limited should return to Ms F the £39.22 it took by direct debit together with interest at 8% simple per annum from the time it took the direct debit till it makes payment. If it hasn't already done so, it should pay her the £50 compensation it originally offered. And it should pay her an additional £50 compensation for not returning her direct debit when she didn't take the policy.

If BG thinks its required to take off income tax from the interest it pays Ms F, it should give her a tax certificate so that she can reclaim the tax if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 19 October 2018.

Jonathan Coppin
ombudsman