

complaint

Mr R complains that British Gas Insurance Limited ("BGI") failed to cancel his home emergency insurance policy before its renewal date when he instructed it in writing to do so.

background

Mr R had a home emergency insurance policy with BGI which covered his central heating boiler and system. In September 2018 BGI wrote to Mr and Mrs R saying that the policy would run out on 24 September 2018. From BGI's records it seems it also sent a similar email to Mr and Mrs R. In view of what BGI said later, I note that the email was sent to their correct email address.

BGI said the renewal premium would be increased from a yearly figure of £164.88 to £205.06. As Mr R paid by direct debit, the policy would automatically renew unless they told BGI they didn't want to renew.

On 10 October 2018, Mr and Mrs R emailed BGI. They pointed out that the new premium represented a 24% increase from the old figure. They said they wouldn't be renewing the policy. They gave BGI formal notice not to take any more direct debit payments from their bank account.

BGI didn't carry out Mr R's instructions to cancel. It treated his email as a complaint about pricing. A representative of BGI emailed Mr R, again at his correct email address, inviting Mr R to contact BGI's Customer Care team and discuss the price in detail. If he was still unhappy with their amended offer, he could cancel the policy at that point.

On 5 December 2018 Mr R phoned BGI and again made it clear that the agreement and direct debit payments should have been cancelled from October 2018 as he had instructed. He complained that, notwithstanding this, BGI had taken payments from his bank account by direct debit. He said BGI should return these and pay him compensation for its poor service.

On 21 January 2019, one of BGI's customer managers tried to send an email to Mr R asking him to contact BGI to discuss his complaint. Unfortunately, he made a mistake in the email address so the email wasn't sent. He sent a letter the same day, and another on 4 February 2019, asking Mr R to make contact. However Mr R was overseas at the time.

Following further complaint by Mr R on 9 February 2019, BGI wrote to him on 11 February 2019 saying it would refund the three direct debit payments it had taken. But it didn't offer any further compensation. Mr R wasn't satisfied with this and complained to us.

Our investigator recommended that this complaint should be upheld. He said that in his initial email of 10 October 2018, Mr R instructed British Gas to take his email as formal notice not to take any more direct debits. Notwithstanding this, the first payment due on 3 November 2018, and two further direct debit payments, were taken from Mr R's bank account.

Mr R phoned BGI on 5 December 2018 and explained again that the policy and payment instructions should have been cancelled. The investigator thought BGI should have acted immediately to cancel the policy. BGI tried to send an email to Mr R on 21 January 2019, but misspelt his email address. So it wasn't sent.

The investigator thought the service BGI had provided to Mr R was poor. As well as the premium payments it had refunded, the investigator recommended that BGI pay Mr R compensation of £100 for the distress and inconvenience it had caused him.

Mr R accepted the investigator's recommendation. However BGI responded to say, in summary, that:

- its initial response to Mr R on 10 October 2018 was an invitation to get in touch to see if BGI could help him on the price of the policy;
- following Mr R's phone call on 5 December 2018 it had sent him an email. It didn't accept it was its fault this wasn't delivered. It said it had used the contact details Mr R had provided;
- Mr R didn't respond to its letters of 22 January 2019 and 4 February 2019; and
- it thought Mr R could have done more to get in touch with it, and could also have instructed his bank to cancel the direct debit which would have prevented the payments being made.

The investigator said his view remained unchanged. BGI's first letter to Mr R seemed aimed at customer retention. He didn't think it was reasonable to delay cancellation while it tried to do this. He thought Mr R had made his position clear that he didn't want BGI to take any more direct debit payments or renew.

He didn't think it was reasonable to put responsibility on Mr R to tell his bank not to make payments when he had given BGI clear instructions not to take any more payments.

BGI didn't agree with the investigator's view. So this complaint has been passed to me to issue a 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.

When Mr R received the renewal invitation from BGI he gave a clear response in good time that he wouldn't be renewing the policy, and that BGI shouldn't take any more direct debit payments from his bank account. While BGI was entitled to approach him and try to persuade him to change his mind, this shouldn't have got in the way of fulfilling his clear instruction.

Mr R again made clear to BGI in his phone call of 5 December 2018 that the policy should be cancelled and that the payments wrongly taken from his account by direct debit should be returned. But it took BGI until 11 February 2019 to confirm it would do this.

I think the reason BGI's email of 21 January 2019 was undelivered was that BGI made a mistake in inputting Mr R's email address, not that he hadn't updated this with BGI. In spite of being notified that it couldn't be delivered, it appears no one at BGI thought to check the email address. If they had compared the address with that on the last email Mr R sent BGI, the mistake would have been obvious.

This mistake became more critical because Mr R was then abroad, and so wasn't able to respond to the two letters BGI sent him.

Like the investigator, I don't think it's reasonable for BGI to put responsibility for the payments being made on to Mr R because he didn't tell his bank to stop them, when he had given clear instructions to BGI to take no further payments.

For the reasons I've set out, I think BGI's customer service to Mr R was poor. I think it's right that BGI pay him compensation of £100 for the distress and inconvenience this caused him.

my final decision

My decision is that I uphold this complaint, and order British Gas Insurance Limited to pay Mr R compensation of £100 for the distress and inconvenience it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 24 October 2019.

Lennox Towers
ombudsman