

complaint

Mr L is unhappy that British Gas Insurance Limited increased his renewal premium.

background

Mr L purchased HomeCare 200 central heating cover from British Gas in 2008. Mr L contacted British Gas in October 2010, as he was unhappy with the renewal premium. BG agreed to apply discount in order to lower Mr L's premium and retain his business.

When the policy was due for renewal again in October 2011, Mr L contacted British Gas as he was again unhappy with the premium quoted. British Gas told Mr L that it could not offer any discount on this occasion. Mr L went ahead with the renewal but he complained to British Gas again the following year about the premium for 2012. British Gas told Mr L that it could not offer a discount but suggested a slightly different policy with a lower premium but which would require Mr L to pay an excess in the event of a claim. Mr L declined this cover and referred his complaint to us.

Mr L says that the increase in his premium is unfair and he thinks it is due to British Gas incorrectly recording more claims than he had actually made on his policy. He says it recorded attendances, when sometimes more than one attendance was required for the same claim.

One of our adjudicators reviewed the complaint and concluded that it should not be upheld. British Gas had confirmed to him that it had only taken actual claims into account when determining the appropriate renewal premium and that it had not acted unfairly or unreasonably.

Mr L did not accept the adjudicator's assessment of his complaint, and so the matter has been referred to me.

my findings

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

Having reviewed the information provided by both parties, I agree with the adjudicator's assessment that this complaint should be rejected.

It is generally up to insurers what cover they wish to provide and the premium that they want to charge for that cover. Similarly, individual consumers have a choice about which policy and which insurer they wish to take insurance with. We do not normally interfere with a decision about a level of premium where it is a reasonable exercise of an insurer's commercial judgement.

In this case, there is no evidence that the premium quoted to Mr L, at any point, was arrived at unfairly or unreasonably. British Gas is entitled to take into account the number of claims made, when determining the cost of future cover; and it has confirmed that it has only taken account of actual claims. It is also entitled not to agree to any further discretionary discounts and it appears that the removal of the discount has meant the price has increased to its normal pricing level.

Given this, I do not consider that I can uphold this complaint.

my final decision

I do not uphold this complaint against British Gas Insurance Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr L to let me know whether he accepts or rejects my decision before 9 January 2015.

Harriet McCarthy
ombudsman