

## **complaint**

Misses W have held cover through British Gas Services Limited for a number of years. They are unhappy with a number of matters that arose around the time their policy was renewed in 2014.

## **background**

Misses W's policy was due for renewal on 1 November 2014. They didn't receive the renewal documentation in early October as usual, and so contacted British Gas.

Over the course of just over a week they spoke to three different people at British Gas all of whom offered them different renewal premiums. They then received three lots of renewal documents, all with different premiums.

The documents also made reference to the cover now being an insurance product, implying it hadn't been before, which they dispute (and there are notes of conversations with British Gas representatives in 2011 and 2013 that confirm this). It was unnecessary and confusing to tell them they were now on an insurance based product. They also say the reference number of their policy was changed and want to know why.

Misses W also queried the terms of the cover relating to damage caused by scale and sludge in the heating system. This is excluded in the terms sent to them but when they had a new boiler installed in 2010, they also paid for a powerflush and received a guarantee that any future powerflush needed would be free, provided they keep continuous cover with British Gas. They want confirmation this guarantee was is still in force and will be honoured; and clarification as to whether the guarantee applies even if they replace the boiler again in the future.

Misses W want a clear answer to the queries raised and "a goodwill financial gesture given the initial delays and confusion over the renewal and the subsequent failure to deal with a complaint".

British Gas says that Misses W held insurance cover for their boiler from February 2010 until November 2010, when it was cancelled and replaced by a guarantee as British Gas installed a new boiler for them. At the end of the guarantee period, British Gas says that it only provides "Central Heating Care", which it says is not an insurance based product. This ran for three years and then it changed to a similar insurance based product and the reference number changed accordingly.

British Gas confirmed that as continuous cover had been held on the boiler, the guarantee for the powerflush was valid and in force. It acknowledged that there was some delay in dealing with Misses W's complaint and so offered compensation for this of £100 and later a further £30 for confusion about the complaint and contacting them while the complaint was with us.

One of our adjudicators looked into the case and recommended that it not be upheld. She thought that British Gas had answered the queries raised and that the offer of compensation was reasonable.

Misses W didn't accept the adjudicator's assessment. They are unhappy that British Gas just wants to pay them off rather than investigate exactly what has happened and ensure it

doesn't happen again. Since bringing the complaint here, they have had further communications from British Gas in which it's obvious they don't know all the details. They were unhappy that British Gas intended to send them compensation without their permission. Its record keeping and administration is poor and confusing.

### **my findings**

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

Misses W want a thorough investigation of why things happened the way they did. However, mistakes sometimes happen and it is not our remit to investigate a business' processes to establish *why* they may have happened. Instead, my role is to investigate what happened and the impact this had and if things have gone wrong, decide what, if anything, needs to be done to put them right for the complainant. If there is no 'loss' or detriment to Misses W as a result of anything that went wrong (i.e. a financial loss or significant inconvenience) then I can't make any award.

I can't therefore determine why Misses W didn't receive their renewal notice on the usual date in 2014. I can understand why it was confusing and of concern to receive different renewal premiums in the space of a week and it does suggest that British Gas' record-keeping is not as it should be. However, Misses W renewed their policy and cover continued and therefore although this may have concerned them, I don't consider that they suffered any financial loss or significant inconvenience. Therefore I can't take this aspect of their complaint any further.

Misses W are also concerned about their powerflush guarantee. British Gas has confirmed that this is still in force provided they continue with their cover. Its letter of 7 April 2015 confirms the powerflush guarantee is for life (provided there is cover still held) but the boiler is not guaranteed for life. Therefore the powerflush guarantee will continue, even if the boiler is replaced. I consider this is sufficiently clear.

British Gas has also explained the change of policy number. I note that Misses W dispute that their previous policies were non-insurance based products but I can't investigate that any further. I agree with them that the policy documents and marketing are unclear – both the insurance based policy and the non insurance based product details are provided in the same document and it's not always clear which policy a consumer holds. However, Misses W did have a policy with British Gas over the relevant periods and I don't think I need to establish whether it was the insurance based that they think it was, or the non insurance based the British Gas think it was. I say this because these policies have expired and no claims were made that weren't covered or dealt with. While this may have caused them some confusion (and I can understand why) there is no loss as such. It seems to be clear that they are now on an insurance based policy and that will continue.

Overall, the offer of compensation already made by British Gas would seem to me to be reasonable to reflect the confusion caused and the delays in dealing with the complaint.

### **my final decision**

I uphold this complaint against British Gas Services Limited to the extent that I consider it should pay the compensation it has already offered of £130 (if it hasn't done so already). If

Misses W wish to accept the compensation they should confirm their acceptance of this decision by the date set out below.

Under the rules of the Financial Ombudsman Service, I'm required to ask Misses W to accept or reject my decision before 23 November 2015.

Harriet McCarthy  
**ombudsman**