

complaint

Mr V complains that British Gas Insurance Limited mishandled two of his home care insurance policies.

background

Mr V was the landlord of several properties for which he had British Gas policies. He complained about the policies for two properties which I will call number 1 and number 60.

The adjudicator recommended that the complaint should be upheld in part. He did not think it was reasonable for British Gas to start the cover for number 60 from the original renewal date of December 2014 because it was not actually renewed until 13 February 2015. He recommended that British Gas should (in addition to the £330 compensation already paid) provide a free extension to the policy for number 60, so that Mr V has 12 months of cover from the actual renewal date.

British Gas disagrees with the adjudicator's opinion. It says that it lapsed - but did not cancel - the policy for number 60 and can't change its renewal date.

my findings

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

Number 1

Mr V paid to renew the policy for number 1. But British Gas kept saying he had no policy. It later accepted that this was because of its system error. In the meantime Mr V could not get an annual service.

On balance I accept the statement from British Gas that its system error prevented the annual service but would not have prevented any repairs which had been necessary. But I'm not satisfied with the way it communicated with Mr V.

Number 60

The policy for number 60 was due for renewal at about Christmas 2014. But Mr V asked British Gas to send him a quote for a reduced level of cover. British Gas took about two months to respond. In the meantime Mr V did not pay. So I agree with his view that he was entitled to believe he had no cover for that period.

British Gas wrongly took payment of the original quote of about £368 instead of the reduced quote of about £293. So it had to refund the difference of about £75.

I agree with the adjudicator's opinion that British Gas owes Mr V two months of cover. But, since British Gas has difficulty in changing renewal dates, I will order a payment in lieu of two months' cover which I calculate as £48.92.

Overall

British Gas has recently told us that its payments totalling £330 should include any refund due to Mr V. But that's not what it said when it sent him the most recent payment.

And I have seen from the correspondence that British Gas put Mr V to a significant amount of unnecessary inconvenience and upset for a period of about six months.

So I think its payment of £330 is fair and reasonable compensation for this trouble and upset.

And I think it's fair and reasonable to order British Gas to pay him - in addition - the £48.92, plus interest at our usual rate.

my final decision

For the reasons I've explained, my final decision is that I uphold this complaint. I order British Gas Insurance Limited to pay Mr V:

1. £48.92;
2. simple interest on that amount at a yearly rate of 8% from 13 February 2015 to the date it pays him. If it decides it has to deduct tax from the interest element of my order, it shall send Mr V a tax deduction certificate when it pays him. He can then use that certificate to try to reclaim the tax, if he is entitled to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 28 September 2015.

Christopher Gilbert
ombudsman