

complaint

Mr D complains about poor service by British Gas Insurance Limited ("BGI") under his home emergency insurance policy.

background

Mr D has had a home emergency policy with BGI for over 20 years. As well as emergency cover, the policy includes an annual service of his gas fire and central heating boiler. Mr D says these services have been carried out regularly every twelve months for a number of years.

Mr D had a new boiler installed by an associated company of BGI. The manufacturer recommended that the boiler be serviced every 12 months. To assist with this it had a reminder alarm fitted to it.

The policy year for Mr D's BGI policy runs from 6 October until the following 5 October. For the policy year 6 October 2016 to 5 October 2017 BGI carried out the annual services for the fire in January 2017, and for the boiler in March 2017.

Mr D booked the annual service for both appliances for 30 October 2017. However, the BGI engineer cancelled it before attending, saying Mr D had already had a service that year. BGI accepted that was incorrect, as the arranged service fell within a new policy year. So it rearranged the appointment for 19 February 2018.

Again British Gas cancelled the appointment on the day. This time it said it was because of a lack of engineers.

Mr D complained to BGI about the two missed appointments. He said each time he had to take a day off work and as a result had lost two days wages. He was also concerned that the warranty for his boiler might be affected if it hadn't been serviced regularly every twelve months. He asked BGI to refund the policy premium for that year, and to compensate him for lost wages and time spent getting BGI to deal with his complaint.

BGI apologised for the two missed appointments. However it said that its contractual obligation under the terms of the policy was to provide a service once during each policy year, which it hadn't yet failed to do. And during the year it had also provided other insurance cover under the policy. So it wouldn't refund Mr D's premium.

The service could be provided at any time during the policy year, so wouldn't necessarily be twelve months from the last service. If this didn't meet the boiler manufacturer's requirements, Mr D would need to make separate arrangements with the manufacturer or its approved service provider.

BGI offered Mr D a total of £110 as compensation for its poor service. Mr D didn't accept this and complained to us.

Our adjudicator didn't recommend that this complaint should be upheld. He said that BGI had arranged a further service appointment for April 2018, which had been successfully completed. Mr D noted that when carrying out the service the engineer had found a small gas leak on the fire, which he thought emphasised the importance of 12 month service intervals.

The adjudicator said each annual policy with BGI was a separate 12 month policy. So he thought that BGI's interpretation of "*annual*" and "*each year*" in the policy terms as requiring it only to provide a service once during each policy year without reference to other years was reasonable. This was also in line with the general approach of the home emergency insurance industry.

Mr D's service for the current year had now been carried out. So he hadn't missed a service. The adjudicator couldn't comment on when the leak in the gas fire had started, or whether it would have been picked up if the service had been carried out 12 months after the last gas fire service.

Mr D said he should have been told by the company that sold him the new boiler that BGI couldn't guarantee regular 12 month services. He could then have decided whether to continue his BGI policy. The adjudicator said the sale of the boiler wasn't part of the regulated activities for which we are responsible. So he couldn't comment on the circumstances of the sale of the boiler.

The adjudicator appreciated Mr D's frustration and upset at the missed appointments. However he said we wouldn't take into account the loss of wages of a particular consumer as this would result in consumers being treated differently for the same type of error.

BGI had now increased its compensation offer to £140 in total. The adjudicator thought this was reasonable for the two missed appointments and service issues.

Mr D responded to say, in summary, that:

- he didn't agree that "*annual*" in the policy meant that BGI could service appliances at, for example, 15 month or longer intervals;
- he thought he had been missold the boiler when the manufacturer's service requirements couldn't be met by BGI; and
- he hadn't cancelled the appointments. So he didn't see why he should be out of pocket as a result.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I have come to the same conclusions as the adjudicator, and for broadly the same reasons.

Dealing with the particular points Mr D has raised:

- each yearly insurance policy is a separate policy for the period of 12 months set out in the policy. So I agree that BGI's obligation under the policy is to service the appliances once during the period of that policy without reference to any previous or later policy;
- this service has no jurisdiction over the sale to Mr D of the new boiler, or the company that sold it to him. It's separate from Mr D's insurance policy with BGI. So I can't comment on what was or wasn't said to Mr D in the course of that sale; and
- for the reasons the adjudicator mentioned we don't consider it appropriate to reimburse lost wages in the circumstances which happened.

Mr D's service for the current policy year has now been carried out by BGI. BGI has apologised for its poor service and has offered compensation of £140 in total, which I think is fair and reasonable in the circumstances.

Now that he is aware of how BGI will meet its service obligations in any future policy year Mr D can decide whether or not he wishes to renew his policy with BGI when it comes to an end.

my final decision

BGI has made an offer to pay Mr D £140. I conclude that such an offer is fair and reasonable in all the circumstances. My decision is that British Gas Insurance Limited should pay Mr D £140 inclusive of any part of that he has already received.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 28 September 2018.

Lennox Towers
ombudsman