

complaint

Mr M complains about British Gas Insurance Limited's handling of a claim under his HomeCare policy.

background

In October 2017, British Gas carried out a central heating system inspection. Re-pressurising of the system was subsequently carried out, due to there being an air bubble in an unvented tank. This was causing an issue with Mr M's radiator; hence the claim under his HomeCare policy.

Mr M wanted British Gas to settle this claim in the same manner as his two previous claims. On those, British Gas sent Mr M enough money to enable him to replace his radiators on a like for like basis (i.e. with aluminium radiators). On this claim, British Gas has offered Mr M the money (£51.58) towards a standard fit radiator. It says it's settling the claim in line with the terms and conditions of the policy. British Gas wasn't sure why it had previously paid more on the other claims. It did describe one of them as a "*mistake*". It acknowledged this may have heightened Mr M's expectations of the benefits of his policy. British Gas also offered Mr M a good will gesture of £30 for not making contact when it said it would.

Mr M then brought his complaint to us. Our investigator didn't recommend that his complaint should be upheld, as she didn't think British Gas had done anything wrong. She was satisfied its offer towards replacing the radiator was made in accordance with the terms and conditions of the policy. She was of the opinion its goodwill gesture of £30 was fair.

Mr M disagreed. He's not clear why this claim is being treated differently. He indicated if he'd realised a claim settlement would be based on the price of a standard fit radiator he may not have renewed his policy.

British Gas has subsequently agreed to pay Mr M £100 for the loss of expectation he has suffered on the claim and the upset and disappointment this loss caused him. However, Mr M still thinks British Gas have been unreasonable. As agreement couldn't be reached; I'll now decide this complaint.

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'll be upholding this complaint, in part. I'll explain why.

I can appreciate why Mr M wants this claim to be settled by British Gas, like the other claims. He has aluminium radiators. I can see British Gas acknowledged on a previous claim "*it's a specific design that matches the rest of the house*". So getting money from British Gas towards the cost of a standard radiator wouldn't be sufficient for Mr M to replace the existing radiator.

Yet the policy says British Gas will "*provide replacements with similar functionality but not necessarily an identical make and model or type of fitting*". British Gas has clearly set out the terms on which it provides a replacement. I can see it did base its offer on a replacement with "*similar functionality*". So I'm satisfied its offer of £51.58 is fair.

Mr M indicated he may not have renewed his policy if he'd realised the claim would be settled like this. I accept this. He may well have looked elsewhere for a different policy. But this policy wording is quite standard. So I'm not sure Mr M would've been able to get a policy that was much different. In other words, he would've been in the same position he is now. In addition, if Mr M hadn't carried on with any policy, he would've paid in full to replace his own radiator.

Yet British Gas has heightened Mr M's expectations of the benefits of his policy. He has suffered a loss of expectation. It's right that British Gas compensates him for the disappointment and upset this loss of expectation has had. I'm satisfied £100 is a fair and reasonable amount. I also agree with British Gas' goodwill offer of £30 for not making contact when it said it would.

my final decision

I uphold this complaint, in part, against British Gas Insurance Limited.

I instruct British Gas Insurance Limited to pay Mr G £100 compensation for his loss of expectation on this claim.

It is also to pay him the £51.58 it offered towards the replacement radiator and the £30 goodwill gesture.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 April 2018.

Paul Phillips
ombudsman