

complaint

Ms T complains that British Gas Insurance Limited is responsible for poor service in connection with a home emergency insurance policy.

background

Where I refer to British Gas I refer to the insurance company of that name and I include other companies and individuals insofar as I hold British Gas responsible for their actions. This final decision will not name any party other than British Gas.

Ms T is a business consultant. She had British Gas insurance including kitchen appliance cover for her washing machine. It was subject to a £60.00 excess or fixed fee.

She asked British Gas for help with her washing machine. In July 2018 she complained about poor service. On 20 July 2018 British Gas sent a (first) final response. It said it was paying Ms T certain sums. It also mentioned loss of earnings.

On 13 August 2018 Ms T brought her complaint to us. She said British Gas hadn't paid her enough compensation.

Following a data request, Ms T in December 2018 sent British Gas a claim for loss of earnings based on her daily rate of £1,200.00. She complained about its handling of her complaint. British Gas sent a second final response in January 2019 and a third final response in March 2019.

Ms T sent us the documents in late August 2019. British Gas initially questioned whether each complaint had been brought to us within six months of the final response. But in October 2019 it said it was happy for us to count all three final responses in jurisdiction.

Our investigator didn't recommend that the complaint should be upheld. She thought that the British Gas payment of compensation and the refund of the policy excess were in line with what she would've suggested.

Ms T disagreed with the investigator's opinion. She asked for an ombudsman to review the complaint. She says, in summary, that:

- British Gas acknowledged very poor service.
- British Gas mishandled her complaint.
- It wasted her time and caused her stress.
- She would accept an additional £600.00.

my findings

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

The kitchen appliance cover provided as follows:

"A contribution towards a replacement if we can't repair it or we decide it will cost less to replace than to repair. We'll source the replacement from our approved supplier and make the following contribution based on their current retail selling price:

- 100% if your appliance is less than three years old*
- 30% if your appliance is three years old or more*

You may use our contribution towards an alternative model of your choice from our approved supplier. There is no cash alternative."

Ms T hasn't suggested her washing machine was less than three years old. On 22 June 2018 she already had a problem with it. That's why she contacted British Gas for help. It was always going to take at least one visit to assess the machine.

From what Ms T and British Gas have each said, I think she paid the excess of £60.00. British Gas visited on 2 July 2018. But that was an unproductive visit with no conclusion. British Gas made further visits in July 2018. It recommended a new machine. The cost was about £289.00. 30% of that would've been about £87.00.

The dates show some delay and poor service. From what she's said, Ms T had to use a friend's washing machine. But Ms T was abroad for some of this time.

In late July 2018 British Gas sent its first final response. It refunded the excess of £60.00. In addition it paid Ms T £250.00 made up as follows:

contribution towards a new washing machine	£100.00
for 4 weeks without a washing machine	£80.00
for unproductive visit and delays	£50.00
for telephone calls	£20.00

The £100.00 was about £13.00 more than a 30% contribution towards the cost of a new machine. At that point British Gas didn't need to do anything further to ensure Ms T got a new washing machine.

On 20 July 2018 a British Gas customer manager sent an email including the following:

"I have offered to review, and if necessary increase, these figures if you are able to demonstrate that your calls cost more than this, and if your accountant is able to prepare something to demonstrate your loss of earnings ... The case has also been reviewed by service manager ... who agrees with my assessment of the case. As such, we will not increase this offer without further evidence of out of pocket expense or loss of earnings, as we feel that it is fair and reasonable."

I find it likely that this was in response to a complaint from Ms T about loss of earnings. I think British Gas could've been clearer about that issue.

But I don't find that British Gas misled Ms T or treated her unfairly by offering to review further information from her accountant. So I don't find it fair to direct British Gas to compensate Ms T for the money and time spent on preparing her claim.

On 31 July 2018 Ms T asked for details of telephone calls. In August 2018 Ms T had to chase British Gas for a response.

On 30 August 2018 a different customer manager sent an email including the following:

“Please come back to us with evidence of your loss of earnings and we will reconsider this complaint point for you.”

After she got the list of calls, Ms T’s accountant – for a fee of £30.00 or £35.00 – ratified a claim document for £1,232.50 loss of earnings. On 6 December 2018 she sent that document to British Gas. Later in December Ms T had to chase British Gas for a response.

In late January 2019 British Gas reviewed and declined the claim for loss of earnings. But it offered an additional payment of £50.00. After more delay it sent that amount in March 2019.

I’ve thought about the loss of earnings claim. It’s partly based on a list of telephone calls dating back to a time well before Ms T called British Gas in June 2018. And it’s based on applying Ms T’s hourly rate to the time she spent.

The claim lacks any other factual detail about where Ms T’s earnings would otherwise have come from or how the time spent on British Gas caused her to lose such earnings. So I don’t find that British Gas treated Ms T unfairly by turning down that claim.

I don’t find it fair and reasonable to direct British Gas to pay Ms T compensation for loss of earnings or for preparing her claim.

However, I’ve found British Gas responsible for poor service including delay and poor communication. I don’t doubt that this caused Ms T distress and inconvenience over and above the inconvenience to be expected if the claim had been handled properly.

I’ve thought about what I would’ve directed British Gas to pay if it hadn’t already made any payment. I keep in mind the inconvenience of having no working washing machine as well as having to keep unproductive appointments and having to chase British Gas.

Overall I would’ve found £150.00 fair and reasonable. I’m satisfied that British Gas has paid Ms T more compensation than that. So I don’t find it fair and reasonable to direct it to pay her any more – or to do anything further in response to this complaint.

my final decision

For the reasons I’ve explained, my final decision is that I don’t uphold this complaint. I don’t direct British Gas Insurance Limited to do anything further in response to this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms T to accept or reject my decision before 7 March 2020.

Christopher Gilbert
ombudsman