

complaint

Mrs R complains that British Gas Insurance Limited declined to carry out a repair to her boiler and cancelled her policy.

background

In December 2013, Mrs R reported that her boiler had stopped working. British Gas arranged for an engineer to attend the same day. The engineer diagnosed that there was a blockage in the cold feed and that access would need to be made.

The engineer returned the next day and diagnosed that the pump would need to be replaced and that he would order this.

British Gas contacted Mrs R a few days later to say that there would be no further attendances and that it would be cancelling her policy. It said that her boiler was deemed to be for commercial use and was therefore not covered by the policy. It arranged for Mrs R to be passed to its commercial team to arrange new cover.

British Gas' commercial team arranged for an engineer to attend and provided a quote for the repairs to be carried out on a paid for basis. Mrs R paid £84 for the attendance but declined the quote provided for the repairs.

Mrs R complained to British Gas as she believed that her policy was cancelled incorrectly as the policy had been in place for a number of years and British Gas had attended on several occasions.

British Gas said that as part of the boiler system was in a part of the property that had a commercial use, it believed it was more suitable to be covered by a commercial policy. It also said that it had written to Mrs R prior to the policy renewal advising that the policy would be transferred but that it had renewed it in error. It offered to refund £42.88 of premiums that were collected following the incorrect renewal and £50 compensation. It also offered to reimburse the £84 paid for the engineer visit.

Our adjudicator considered that British Gas had incorrectly cancelled the policy as it was its error that it was renewed instead of being transferred and that Mrs R should not lose out because of this. Mrs R had said that she did not wish to reinstate her policy, so our adjudicator recommended that British Gas pay £150 compensation in addition to the offer to refund of premiums and the £50 compensation already paid.

British Gas did not accept our adjudicator's recommendations as it considered its offer to be fair and reasonable as it covered Mrs R's out of pocket expenses. The complaint has now been referred to me for a final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

British Gas has said that it wrote to Mrs R prior to the renewal of her policy to advise her that the cover would be transferring to a commercial based policy as this would be better suited

to her needs. However, it has confirmed that an error allowed the existing policy to renew. This subsequently came to light when Mrs R made the claim.

My understanding is that if the renewal error had not occurred, Mrs R's cover could have been transferred to a new policy that would cover her boiler. Given that British Gas has acknowledged that it renewed the policy in error, it is unreasonable for it to take action that disadvantages Mrs R.

In this case, the cancellation of the policy left Mrs R without cover. Had the error with the renewal not occurred, the cover would have been transferred to British Gas' business cover or Mrs R would have been able to seek cover from an alternate provider. This would have meant that Mrs R might have had a valid policy in place at the time of her claim.

In view of this, I am satisfied that British Gas treated Mrs R badly.

Turning to the issue of putting this matter right, our service would normally recommend that the policy be reinstated. However, Mrs R has said that given the service she has received, she no longer wants cover with British Gas. With that in mind I am satisfied that an amount of compensation is warranted in addition to the refund of premiums already offered to recognise the issues here.

my final decision

For the above reasons, my final decision is that I uphold this complaint. I require British Gas Insurance Limited to:

- Refund the £84 for the engineer attendance.
- Refund policy premiums collect from the incorrect renewal to the policy cancellation.
- Pay 8% interest simple per annum on the refund of premiums and engineer fee.
- Pay £200 compensation for trouble and inconvenience (this includes the £50 previously offered)

Christopher Tilson
ombudsman