

complaint

Mr W complains that British Gas Services Limited failed to arrange an annual service during the period of his policy and the compensation it has offered for this isn't reasonable.

background

Mr W has a home emergency policy with British Gas. As part of the policy, British Gas provides an annual service. The policy was due to renew in December 2017. Mr W expected to have a service before that date. When he spoke to British Gas about this in November date he was told the next available date for a service was in February 2018.

Mr W complained about this. He said he was entitled to a service between December 2016 and December 2017, so British Gas was in breach of the terms of his policy by failing to arrange this. And the previous service had been in September 2016, so it would be well over 12 months between service visits taking place. He also said the service didn't in fact take place in February 2018 and was rearranged for March.

British Gas accepted that it hadn't arranged the service during the policy period. It agreed to refund £65, which was the cost of the service. And it offered a further £60 compensation, made up of £30 for the inconvenience caused to Mr W by its delay arranging the service, and £30 for not replying to his complaint within the time limit for doing this.

Mr W didn't accept the offer and complained to this service. He said the compensation didn't reflect all the trouble he'd been put to, including the fact he couldn't switch to a different insurer if a service hadn't been done. He requested £408.47 compensation, as follows:

- Breach of contract in failing to service the boiler - £150.00
- Additional costs incurred in not being able to move provider - £148.47
- Failure to keep appointment - £50.00
- Inconvenience, delay in addressing our complaint etc - £60.00

Our investigator said the policy outlines that the annual service has a value of £65, so the compensation offered for this was fair. He didn't think there should be a payment for the loss of opportunity to move to a different insurer as Mr W hadn't provided any evidence of this cost. But he thought the compensation for delay in replying to Mr W's complaint should be increased to £50. So he recommended that British Gas pay a total of £145, made up as follows:

- £65 for the cost of the annual service;
- £50 for the missed appointment in February 2018; and
- £30 for complaint handling delays.

British Gas didn't agree, and requested an ombudsman's decision. It said the £30 offered for the broken appointment was a fair reflection of the impact this would have had.

my findings

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

Mr W was entitled to an annual service and British Gas failed to arrange this in time. The policy terms explain that the cost of an annual service is £65. The terms also say British Gas will make three attempts to contact the customer to arrange a service, and if it doesn't hear

from the customer, won't refund the cost of the service. So it follows that, if it *has* heard from the customer but doesn't arrange the service, it will refund the cost of £65 – which is what was offered in this case. In the circumstances, I think that's fair and I don't think British Gas needs to pay more.

I also agree with our investigator that payments of £50 for the missed appointment and £30 for delay replying to Mr W's complaint are fair. British Gas doesn't think the impact of missing the appointment in February 2018 would be severe enough to justify a payment of £50. In other circumstances it might not. But in this case, there had already been considerable delay – at that point it was almost two months after the previous policy period had finished. So it would have been very frustrating for Mr W. I think £50 is a fair sum to reflect this.

Mr W has said he could have saved £148.47 by moving to a different insurer, but couldn't do this without his boiler being serviced. British Gas doesn't believe there was any loss because Mr W renewed his policy and got a service in the following period of cover. It also says he could have got a service from another provider if he'd really wanted to, at his own cost (which he could presumably have claimed back).

I don't think it would be fair to expect Mr W to have to arrange and pay for a service that British Gas should have arranged. But we don't have evidence – for example, a quote or other evidence from that time confirming he had tried to move. And without it, I don't think it's fair to direct British Gas to make a payment for this.

fair compensation

For these reasons I think the sum of £145 is a fair amount to reflect the delays by British Gas and the impact this had on Mr W. I understand British Gas sent a payment of £125 to Mr W, though I'm not sure if he accepted it. If that payment has been made, then British Gas should make a further payment of £20.

my final decision

My final decision is that I partly uphold the complaint and direct British Gas Services Limited to pay Mr W compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 February 2019.

Peter Whiteley
ombudsman