

complaint

Mr K complains that British Gas Insurance Limited gave him poor service under a home care insurance policy – and then cancelled it.

background

Mr K took out a British Gas insurance policy and agreed to pay for it by monthly instalments. A few weeks later, the company did a first inspection to see whether it would continue to cover his central heating boiler. But British Gas said he would have to pay for a new water valve. Mr K didn't immediately agree to pay for this. And in the meantime British Gas labelled the boiler "at risk". Within a day or two, Mr K agreed to pay British Gas for the repair. But after the repair was complete, Mr K complained that British Gas cancelled the policy.

The adjudicator thought that British Gas hadn't communicated well with Mr K. But the adjudicator said that it had made a fair and reasonable offer as follows:

1. to pay Mr K £80 for distress and inconvenience;
2. to service the boiler and see whether it could cover it.

Mr K disagrees with the adjudicator's opinion. He says, in summary, that British Gas should pay him more compensation than the £80 he has already received. And he has cover from another provider, Mr K adds.

my findings

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

Where I refer to British Gas I include its engineers and other agents for whose actions I hold it responsible.

The policy terms included the following:

"5.6 First Service

If your Agreement includes a First Service, we will arrange to inspect your boiler and controls or gas central heating system or gas appliance (depending on what is included in your Agreement), to help make sure we can include them in your Agreement and that they are safe and in good working order.

We will normally carry out your First Service within 42 days of the start of your first Agreement, although it may be later if there is an increased demand for our services especially in colder weather.

Our engineer will fill in a service or breakdown checklist to show you what has been inspected. If your First Service reveals a problem (such as boilers for which we know we cannot get parts, or systems that are not installed safely or which we cannot get to) we may:

- *Tell you what work is needed and what it will cost to do that work;*
- *Offer you a different product which will not include the parts of your system causing the problem; or*
- *Cancel your Agreement and refund any money you have paid."*

So the policy terms allowed British Gas to cancel the insurance if Mr K didn't pay for any necessary repairs.

British Gas thought he needed a new water valve and Mr K hasn't provided any engineering evidence that this was unnecessary.

I accept that Mr K felt under pressure to spend money with British Gas. But I don't share his view that British Gas issued an inappropriate warning notice in an unfair attempt to generate leads for the sale of goods and services.

Mr K didn't immediately accept the estimate to replace the water valve. It was the next day that he agreed to pay. British Gas later got the new part and fitted it. But there's not enough evidence that it completed the first service.

British Gas sent Mr K a letter cancelling the policy. I find it likely that someone at British Gas did this because he or she didn't realise that Mr K had agreed to pay for the new water valve. And I accept that the letter left him with many questions.

British Gas didn't communicate with Mr K - or deal with his complaint - as well as it ought to have done. And I can see that this caused Mr K some upset and put him to some trouble.

But Mr K says he got cover with another provider. And British Gas also refunded his payments of instalments of premium. So he had only paid for the water valve. And I see no basis for ordering British Gas to refund him for that.

And – before he brought his complaint to us - British Gas sent Mr K a cheque for £80. Overall, I think that's fair and reasonable for the trouble and upset it had caused Mr K.

my final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I make no order British Gas Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 14 October 2015.

Christopher Gilbert
ombudsman