

complaint

Mr H has complained that British Gas Insurance Limited (BG) didn't carry out the annual service of his boiler during the policy year as his contract provided for.

background

Mr H has a Homecare agreement with BG that provides insurance against various problems arising with his home hot water and heating system. It also includes an annual service visit to check that his boiler is working safely and in line with relevant laws and regulations. Mr H's policy year runs from 3 December to 2 December the following year.

On 10 October 2018, BG wrote to Mr H to remind him that he should contact it to arrange for his annual service for policy year 2017/18. The last service had been on 1 December 2017, which was just at the very end of policy year 2016/17.

Mr H contacted BG and asked that his 2017/18 annual service be booked in for a date before 2 December 2018. BG then wrote to Mr H to tell him that due to a shortage of engineers the earliest date on which it could fit in his service was 17 January 2019. This meant that Mr H wouldn't have had an annual service visit in the 2017/18 policy year.

Mr H wrote to BG to complain. He considers that BG was in breach of its contract with him. BG accepted that Mr H was correct in this, apologised, and initially offered him £65 in compensation. This was then increased to £85 in recognition of the inconvenience and upset he'd been caused.

Mr H wasn't satisfied with this as he felt that BG had behaved very badly, and that in offering him compensation it was going against its own policy term which states:

"Cash in lieu

We won't offer you cash instead of carrying out an annual service, repairs or replacements".

He told BG he wasn't interested in a cash in lieu payment as he had both young and old vulnerable people staying with him over the Christmas period and wanted his boiler serviced within the contract period. He said BG's planning, contractual and service failures had caused him inconvenience and stress.

As Mr H wasn't satisfied with BG's response to his complaint, he brought his complaint to this service on 8 December 2018. As it was now too late for a service in the 2017/18 policy year, he said he wanted a full apology and an explanation from BG as to its future action plans, and repayment of his £306.26 annual premium as he believes that BG has done nothing for him in the policy year 2017/8.

Our investigator's view was that BG had addressed Mr H's complaint in a way that was fair and reasonable, and she didn't think that BG needed to do anything more.

Mr H isn't satisfied that agreeing with BG's award of £85 compensation sends out the right message to BG, and asked that the matter be referred to an ombudsman. Mr H's complaint has therefore been passed to me to make a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I'm not going to uphold Mr H's complaint and I'll explain why not.

I should say at the start that I can understand Mr H's annoyance that BG wasn't able to fit in his annual service between October 2018 and 17 January 2019. One would have expected that some dates would have been available. But I can see from BG's records that attempts were made to bring forward the date, but those dealing with Mr H's complaint were told by BG's planners that this simply wasn't possible.

In fairness to BG, I should point out that Mr H's policy does state:

"Reasonable timescales

We'll carry out any repairs or visits you're entitled to within a reasonable time, unless something beyond our control makes that impossible – in which case we'll let you know as soon as possible and give you another time when we can visit."

I accept, though, that the unavailability of engineers was probably something that was within BG's control.

In making my decision, I take into account what Mr H has said, and his concern for the comfort and safety of his family during a winter period. But on the other hand, there was nothing to suggest that there was a concern about his boiler at the time, and if something had gone wrong, Mr H would've been able to call on the insurance elements of his policy for an urgent repair. So although Mr H makes the point that BG has done nothing for him during policy year 2017/18, he has had the benefit of the insurance provided by the policy, so if anything had gone wrong, he could have called on BG to put it right.

I note what Mr H says about his entitlement to an annual service visit during the policy year 2017/18, and that was something he correctly says he should've received under BG's agreement with him. In fact, it was around seven weeks late. But I don't consider this to be a particularly lengthy delay, and if something had gone wrong BG would've dealt with it urgently.

But it shouldn't have happened, and BG has acknowledged this by its offer of £85 compensation. BG has said that the fact that this service falls into policy year 2018/19 doesn't mean that this qualifies as the annual visit for this policy year, and he'll be entitled to another one before 2 December 2019.

As our investigator has explained, it isn't part of our function to punish businesses who we consider have done things wrong, but to get them to put things right in the most appropriate way. In this case, I think that BG has attempted to do this by offering £85 compensation and agreeing to undertake another service in policy year 2018/19, and I think this is reasonable. The fact that compensation in lieu of a service visit might be regarded as a breach by BG of its terms and conditions is a matter for BG. I think that the term that Mr H refers to is one that's included for BG's benefit, to prevent customers from claiming a cash alternative to an annual service, and as such, it can waive it if it chooses.

I'm therefore satisfied that BG's offer of £85 compensation is both fair and reasonable in the circumstances of this case. I would also expect BG to offer an apology, but I'm not going to make an order to this effect.

my final decision

For the reasons I've given above, I'm not going to uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 June 2019.

Nigel Bremner
ombudsman