

complaint

Mrs J complains that British Gas collected money from her bank account without her authority in relation to her “Boiler and Controls Cover” insurance policy.

background

In May 2012, Mrs J contacted British Gas to report a gas leak at her property. British Gas told Mrs J that, on payment of a policy excess, it would visit her property to ascertain whether the leak related to her boiler. British Gas said if the leak was elsewhere on the system it would not be covered under the terms and conditions of Mrs J's policy but that its engineer may provide a quotation for the cost of repairing the leak. Mrs J gave her bank card details to British Gas and was informed that only the excess would be debited from her account.

A British Gas engineer visited Mrs J's property the following day and left a job sheet that said “traced leak to gas supply capped all appliances. AA insurance to rerun”. The section of the job sheet relating to chargeable work was not completed. Mrs J told us British Gas' engineer was unable to locate the leak and left without carrying out any work.

Mrs J subsequently contacted British Gas to complain that, in addition to the policy excess, a further charge had been debited from her bank account without her permission. British Gas credited a refund of the amount collected to Mrs J's bank account on the same day. However, due to the intervening bank holiday weekend, Mrs J said the refund took seven days to reach her account and she wanted £100 compensation in recognition of the distress and inconvenience she had suffered.

British Gas said its agent had incorrectly applied two charges to Mrs J's bank account when processing her card details but that it had no control over how quickly Mrs J's bank credited the refund back to her account. It apologised but refused to pay any compensation.

As Mrs J remained dissatisfied, she brought her complaint to this service for consideration. British Gas objected to us considering the complaint because it said Mrs J's complaint related to a payment for on-demand, chargeable work rather than to an insurance based product.

Our adjudicator considered that Mrs J's complaint fell within our jurisdiction but did not recommend that the complaint be upheld on its merits. British Gas maintained we were not able to consider Mrs J's complaint in any case.

my findings

The Financial Ombudsman Service only has the legal power to consider complaints, and make awards where appropriate, about events which fall within our jurisdiction.

Under our rules we have the power to consider complaints about, among other things, businesses effecting and carrying out contracts of insurance, regulated by the Financial Conduct Authority (or “FCA”, formerly the Financial Services Authority).

British Gas says it advised Mrs J that any work carried out on a leak somewhere other than the boiler was not covered under her policy and would be chargeable. British Gas submits that, as Mrs J's complaint arises from the actions of its engineer concerning chargeable

work, it does not relate to the contract of insurance which Mrs J holds with British Gas and so is one we cannot consider.

However, the attendance by British Gas' appointed engineer (acting as British Gas' agent) was arranged in connection with Mrs J's insurance contract. British Gas, as principal, is therefore responsible for any communication failure or error on the part of its engineer during the May 2012 attendance.

Although the unauthorised deduction from Mrs J's bank account was for chargeable work (I note there is a dispute as to whether or not any work was actually carried out by British Gas' engineer), I consider Mrs J's complaint concerns the actions of British Gas in connection with the effecting or carrying out of a contract of insurance. As such, I am satisfied Mrs J's complaint is one this service can consider.

Turning to the merits of Mr J's complaint, in order to decide what is fair and reasonable, I have looked at all the evidence and arguments provided.

I should explain that the Financial Ombudsman Service investigate individual complaints where consumers feel they have suffered a loss as a result of a business' actions. It is clear that British Gas made an error in debiting a second amount from Mrs J's account without her knowledge. Having said that, British Gas acted to refund the charge to Mrs J as soon as it was notified of the error. It also subsequently apologised to her. I understand Mrs J says, because of the timing of events, it took seven days for the refund to reach her account and I have no doubt the delay was frustrating. However, I have seen no indication that Mrs J incurred any additional expenses (such as bank charges etc.) as a direct result of British Gas' error. So I do not consider Mrs J has been prejudiced by British Gas' actions in this case.

Although we can award compensation if we consider a consumer has suffered distress and inconvenience as a result of a business' error, this depends on the circumstances and we do not do so in every case. In any case, it is not within our remit to seek to punish or fine businesses through our awards.

Whilst I appreciate British Gas' error was unfortunate, I am not satisfied an award of compensation for distress and inconvenience is warranted in the circumstances.

my final decision

For the above reasons, my final decision is that the complaint is one we are able to consider. However, having considered the merits of Mrs J's complaint, I do not uphold it. I make no award against British Gas.

Nimish Patel
ombudsman