

The complaint

Mr I has complained that when trying to add an account holder to an account, he was given incorrect information by Barclays Bank UK PLC ("Barclays"). He says that this led to a Travel pack that was added to the account being removed and re-added. This in turn changed the level of cover that the account holders received from the pack.

What happened

Mr I held a Barclays account with two joint account holders. He has a travel pack on the account which came with Travel insurance and Breakdown cover. At the time Mr I understood that all parties were covered by these insurances. Barclays said that while all named account holders were covered under the Travel insurance (and their partners) only two were covered by the breakdown cover.

Mr I wanted to remove one of the account holders and add a new one, so that the new party would also receive these benefits. As part of this process, the Travel pack was removed from the account and was then added back on to it. Mr I made a complaint about this process.

Barclays initially responded saying that all account holders would be covered by the pack. It then issued a further response saying that all account holders had never been covered, only the person that took out the pack in the first place, plus one nominated individual. It credited Mr I with £50 to reflect the mis-information provided by the initial response.

Mr I referred his complaint to us. One of our adjudicators looked into this complaint. He decided that Barclays should reinstate the Travel pack. Barclays agreed, but said that the terms may have changed and Mr I would need to accept the new terms and level of cover. Mr I did not agree with this and therefore this complaint was passed to me to look into. I issued a provisional decision on [insert date of PD], explaining that I believed that this complaint should be upheld. An extract of my provisional decision is below, and it forms part of this decision.

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

We've explained our approach to complaints about packaged accounts on our website, and I've used that to help me decide this complaint. Having weighed everything up, I'm currently minded to uphold this complaint. I'll explain why.

Barclays now says that the original Travel pack that Mr I held did provide cover under the Travel insurance for all named account holders, and cover for two people under the breakdown cover. For new pack holders this is not the case as cover is only provided for the person who applied for the pack plus a nominated individual for both insurances.

Barclays has said the process to add a new account holder to any pack involves the Pack having to be removed from the account and then re-added. It has not explained why it follows this process. Because of this process, when a Travel pack is re-added to an account, it changes to the terms that are applicable for a new pack holders.

If everything had happened as it should and this process was clearly explained to Mr I at the time that he was attempting to change the account holders, I am satisfied that Mr I would in all likelihood have left things as they were. This would've meant that all named account holders would have continued to be covered by the Travel insurance and two account holders for the breakdown cover. Whereas currently, to get the same amount of cover for all of the account holders, multiple packs would need to be held. This means that Mr I has lost out due to Barclays failure to explain the implications that the changes to the account would've had on Mr I and the other account holders. It follows that I uphold this complaint and I currently believe that Barclays should do the following.

putting things right – what I think Barclays needs to do

Ideally, I would now ask Barclays to revert things to the way they were. But unfortunately, Barclays is unable to do this, as its system will not allow a Travel pack under the old terms to be added to an account.

I also don't think it would be practical to ask Barclays to refund any additional costs that Mr I and the other account holders incur indefinitely as a result of this. Given this, I think that Barclays should pay an amount of compensation that will allow Mr I to take out alternative cover, so that the other account holders will have similar levels of travel and breakdown cover(if and when required) for a reasonable period. I also think an award of compensation for the distress and inconvenience that has occurred is warranted.

When considering this I have taken into account the distress caused by getting conflicting answers from Barclays and the inconvenience of having to arrange new insurance products.

With this in mind and having considered everything, I currently think that Barclays should pay Mr I an additional £500 to put things right."

What I've decided – and why

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

I note the additional points that Mr I has raised. And I would like to assure him that I have carefully considered all of them. But overall, whilst I agree the redress he has outlined sounds sensible in theory, when considering how such arrangements would need to be set up and monitored, I again think a reasonable and more practical (compared to what Mr I proposes) outcome to the complaint is to require Barclays to pay Mr I and the other account holders a lump sum, which the accounts holders can use as they wish.

When considering the size of the lump sum, I have considered cases that share similar features and then considered the specific features of this complaint. And having done so, I believe that the amount that I have outlined in my provisional decision is a fair and reasonable resolution to this complaint. I say this especially as it will allow Mr I and the account holders to arrange the necessary alternative cover (either through Barclays or elsewhere) for a reasonable amount of time. I note that this is not the outcome that Mr I had hoped for, but I hope he understands why I have come to this outcome.

Putting things right

To put matters right, Barclays Bank UK PLC should pay £500, in addition to the £50 that it has already paid, in full and final settlement of this complaint.

My final decision

I uphold this complaint and require Barclays Bank UK PLC to do what is outlined above, to put matters right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss I and Mr I to accept or reject my decision before 28 October 2022.

Charlie Newton
Ombudsman