

The complaint

Mr T is unhappy that Barclays Bank UK Plc mis-sold him a bike insurance policy.

What happened

In May 2021, Mr T purchased a bike insurance policy to protect his two bikes. A few months later, he made a claim under this policy as his bikes were stolen. The claim was declined as Mr T wasn't able to provide proof of ownership.

Mr T complained that the policy was mis-sold to him. He says that he was persuaded to purchase this policy during a branch visit, where the staff member told him that he wouldn't need proof of purchase if he needed to make a claim.

Barclays said that the policy was sold on a non-advised basis and the insurer sent Mr T policy documents which included information about the cover provided. They explained the policy terms and conditions detailed Mr T's responsibility to prove any loss. But they agreed to refund the annual premium Mr T had paid, as a gesture of goodwill.

Our investigator said that the policy documents would have made Mr T reasonably aware of evidence he may be asked to provide when making a claim. He didn't agree that Barclays had misled him and felt the offer to refund the premium was fair. Mr T disagreed and asked for an ombudsman to make a final decision.

What I had provisionally decided

I issued a provisional decision on 25 April 2022, and I made the following findings:

Barclays have shown that a discussion took place with Mr T in relation to the purchase of this insurance policy. But they haven't provided the specific details of the information that was given and read out to Mr T.

I accept Barclays sold this policy on a non-advised basis. But I would still expect them to give Mr T information that is clear, fair and not misleading to help him make an informed choice.

I've seen a template of the email that was sent to Mr T to confirm his quote. This prompted Mr T to read the policy documents to make sure he was happy before proceeding with the purchase.

The policy documents make it clear that Mr T is responsible for proving any loss and he may be asked to provide receipts, valuations, photographs, instruction booklets, guarantee cards and any other relevant information, documents etc as proof of value and ownership to help with a claim.

Since Mr T purchased the policy while he was in the branch, I can understand why it wouldn't have been practical for him to review all the policy documents before going ahead.

Barclays have provided testimony from the branch to explain that they followed their process and there isn't any evidence to show that Mr T was given incorrect information. They say they provided Mr T with the policy documents which explained his responsibility to prove his loss.

Mr T says that the branch staff reassured him that he won't require proof of ownership. He said this was discussed while deciding the amount of cover he needed as he makes modifications to his bikes himself to increase their value.

There's differing testimony about the conversation that took place in branch when the policy was sold. Since I wasn't present at the time, I can't be completely sure about what each party said.

So, I've taken into account the available evidence and the wider circumstances to decide what I think most likely happened on balance.

Mr T has provided us with a copy of a recording he made during a branch visit after his claim was declined. This has been shared with Barclays.

During this visit, the member of staff who helped Mr T with setting up this policy, confirmed that he doesn't need a receipt to make a claim. She gave him a note confirming that there was nothing on the system which indicated that Mr T needed a receipt.

I can't say with complete certainty that Mr T was given incorrect information at the point of sale. But, the recording of the conversation that took place in the branch after Mr T's claim was declined, and the note he was provided, adds weight to his testimony that he was told he wouldn't need to provide proof of ownership.

All things considered, I think it's most likely that the branch staff downplayed the information Mr T would need in the event of a claim. It wasn't unreasonable for Mr T to rely on the information given to him by the branch staff.

That said, the remedy for providing inaccurate information isn't to treat it as if it were true. So, it wouldn't be fair and reasonable to ask Barclays to cover the claim. Instead, I've thought about what Mr T would likely have done if he was given the correct information.

After reviewing the recording and note provided by Mr T, Barclays have apologised and agreed their branch staff may have provided Mr T with incorrect information about the terms of the policy.

Mr T says he wouldn't have purchased the policy and I find this to be credible. It's unlikely that Mr T would've purchased a policy knowing that he wouldn't be able to prove his loss in the event of a claim.

Barclays have already given Mr T a refund of the annual premium he paid, putting him back in the position he was in before he bought the policy. This is what I'd expect them to do. But I don't think this goes far enough to resolve matters here.

Mr T experienced some unnecessary frustration, disappointment and loss of expectation when he realised his claim wouldn't be covered as he couldn't prove his loss. This could've been avoided if Mr T was provided with clear and accurate information by the branch staff.

But Mr T could've mitigated the impact on him too. He confirmed that he received the policy documents – albeit a few weeks later and after he chased Barclays. It's reasonable to expect Mr T to review these documents to ensure the policy was suitable for him.

After doing so, I would reasonably have expected Mr T to have raised concerns with Barclays and cancelled his policy as the policy document contradicted the information he was given in branch.

I appreciate Mr T says that the policy terms and conditions didn't make sense to him. But in that case, the onus was on him to either contact the insurer or Barclays to clarify his understanding. If Mr T had done so, it would've minimised the impact on him.

Taking everything into account, I think it's fair and reasonable for Barclays to pay Mr T £100 compensation for the distress and inconvenience caused.

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 invited both parties to respond to my provisional decision with any further submissions.

Mr T accepted my decision. He didn't have any further evidence to provide and didn't make any new points that I hadn't already taken into account.

Barclays also accepted my decision to pay Mr T £100 compensation for the distress and inconvenience he was caused.

Since both parties have accepted my decision, there isn't anything further for me to consider. I'm satisfied with the findings I reached in my provisional decision.

My final decision

For the reasons explained above, my final decision is that Barclays Bank UK Plc should pay Mr T £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 31 May 2022.

Ash Weedon
Ombudsman