

The complaint

Mr H has complained that Barclays Bank UK PLC (trading as Barclaycard) couldn't find any record of his credit card payment protection insurance (PPI) policy, which resulted in delay when he tried to make a claim in November 2022 for a period of unemployment that began in September 2020.

Mr H has been represented by his brother in making this complaint. However, for the purposes of this decision, I will just be referring to Mr H.

What happened

Mr H has said that, as a result of his anxiety and depression, he wasn't able to deal with looking at his credit card statements. In October 2022 he received an annual review in relation to PPI and that was when he realised he was still being charged for PPI and therefore had a policy that he could make a claim on.

The policy is an older type policy that is no longer sold. This seemed to cause some difficulty for Barclays who were unable to locate any record of it initially.

Mr H says that, despite chasing both Barclays and the insurer, he did not get a satisfactory response and was forced to make a formal complaint at the end of November 2022 to try and get the matter addressed. However, at the time of bringing his complaint to us in January 2023, he had not received a response to his complaint.

Barclays provided its complaint response on 2 February 2023. It accepted that Mr H had received poor service and offered him £50 compensation, which he declined. It also said that it had been assured by the insurer that they would handle matters but that the insurer hadn't followed through on that. However, the insurer was now setting up the policy and would be in touch with him about the unemployment claim.

Following liaison with this service, Barclays said it would be willing to make a compensation offer in line with the standard redress that would apply to a PPI mis-sale complaint. So, it was offering a full refund of premiums paid over the life of the policy, plus a refund of fees and charges applied to the account as a result of the PPI, plus 8% simple interest. At the time of this offer, in May 2023, that was calculated as being £2,134.38. Our investigator thought that was a fair way of settling the complaint. However, it was understood at that time that the insurer was still assessing the claim and the outcome was still pending. As such, our investigator said that, depending on the outcome of the claim, it would be up to Barclays to decide how that would affect its offer. That's because it would be normal practice to offset any claim pay-out against any mis-sale redress.

It subsequently came to light that the insurer had in fact settled the claim on 18 April 2023 and had paid the amount of £2,738.28 to Mr H's credit card account. Given this, Barclays then confirmed that it has deducted the claim amount from its compensation offer. As the claim pay out was the greater amount, Mr H is not entitled to any additional payment. Mr H says it's not a mis-sale complaint. He has set out his complaint under the headings of data breach, consumer detriment and vulnerability.

Our investigator considered these issues and recommended that Barclays should pay Mr H £500 for trouble and upset. Mr H has rejected this and has calculated the compensation he should receive as £29,403.48, made up of £19,403.48 for financial losses and £10,000 for distress and inconvenience.

I wrote a provisional decision in September 2023, clarifying the confusion that had arisen between the offer made by Barclays in relation to this complaint and the insurer's payment of the unemployment claim. I also said that I agreed with our investigator that £500 compensation was a fair and reasonable way to settle the complaint.

Mr H provided some comments in response to my provisional decision that I will address below.

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.

As set out in my provisional decision, Mr H says it was on 7 November 2022 that he rang Barclays to find out how to make a claim. If things had happened as they should, Barclays would have located his policy on that date and explained what he needed to do. The insurer could then have started the process by sending him a claim form. Based on the available evidence, the insurer didn't get the ball rolling until 14 February 2023, when they called Mr H. So that's a delay of just over three months.

Mr H was originally complaining that the delay stemmed from when he lost his job in September 2020 and that the claim had still not been paid. But in my provisional decision I explained that he could have made his claim then and that I couldn't hold Barclays responsible for him taking until November 2022 to enquire about making a claim. Mr H now accepts that the insurer has paid the claim and that Barclays was responsible for a delay of around three months.

Mr H also now understands Barclays offer (which is a refund of the full PPI premiums since the policy was taken out, plus interest, that he was asking for) and accepts that the claim amount has been deducted from this offer, meaning that no further amount is due to him.

So, it is just the amount for distress and inconvenience (including financial loss) that Mr H remains dissatisfied with.

Despite acknowledging the reduced period of delay that Barclays is responsible for, Mr H's request for compensation remains at £29,403.48. In response to my provisional decision, he has re-emphasised the detrimental impact that Barclays actions had on him.

Mr H says he has incurred additional financial losses as a result of the delay in paying the claim. I'd explained in my provisional decision that I thought Mr H's financial difficulties were mainly the result of him being made redundant in September 2020 and therefore happened before he made the claim in November 2022. Mr H acknowledges that some of his financial set-backs pre-date the claim. But he still says that without the three-month delay, his overall financial state would have been less strained.

I accept this is the case, but I think the difference would have been marginal. The claim amount was paid to his credit card account to reduce the balance, rather than being given as a lump sum to him. As I'd said in my provisional decision, whilst Mr H's financial situation might have been eased slightly if the claim payment had been made earlier – because his

monthly credit card repayments would have reduced – he still wouldn't have had the funds for the sorts of emergency purchases that his family gave him money for. So, I'm not persuaded that Mr H's need for family assistance stems from any fault of Barclays or that his financial difficulties would have been alleviated in any significant way.

During the time that Barclays had trouble identifying the policy, Mr H was concerned that he'd been paying for cover that didn't exist and the implications that had for his unemployment claim. He had to chase Barclays to try and find out what was going on, spending hours on the phone. He was also pushed back and forth between Barclays, the insurer and another third party, having been told that the policy had been sold on to another company. Barclays and the insurer told Mr H contradictory things at times. Mr H was also promised calls back which didn't happen. It also took Barclays longer to deal with the complaint than its standard response time.

I'm sorry if the wording of my provisional decision didn't fully convey how much I had thought about the emotional and mental impact suffered by Mr H as a result of this. I can assure him that the circumstances of his long-term anxiety and depression were a major part of my consideration of the complaint. I have a great deal of sympathy for Mr H's situation and do not underestimate the toll that events have taken on him.

I do understand why Mr H feels he should receive a substantial sum for the distress he has suffered. However, as an informal dispute resolution service which acts as an alternative to the courts, the awards made by this service are more modest than he might expect. For example, in another similar case, I might say that Barclays initial offer of £50 would be sufficient to compensate somebody for a three-month delay. The particular circumstances of Mr H's case, in particular, the distress caused to him by events, combined with his pre-existing mental health problems, means that I have concluded he should receive the much higher amount of £500.

I've re-considered the complaint in light of Mr H's response to my provisional decision. But, on balance, I haven't been persuaded to change that decision. I consider that £500 is appropriate compensation for the distress and inconvenience caused to Mr H.

My final decision

For the reasons set out above, my final decision is that I uphold the complaint and require Barclays Bank UK PLC (trading as Barclaycard) to pay Mr H £500 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 December 2023.

Carole Clark

Ombudsman