

The complaint

Mr B and Mrs B have complained that Barclays Bank UK PLC didn't sell them a critical illness policy.

What happened

The background to this complaint is well known to the parties and not in dispute. In summary Mr and Mrs B spoke to a mortgage consultant from Barclays by phone when re-mortgaging in 2017. They went through the application form on the phone and the application for the mortgage was accepted. However there was a section on the application form regarding critical illness cover. Mr and Mrs B say that this wasn't fully completed, and they weren't aware of this until a few years later.

When Barclays didn't uphold their complaint, Mr and Mrs B referred it to this service. Our investigator didn't recommend that it was upheld. Mr and Mrs B appealed.

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'm aware I've summarised the background to this complaint. No discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I've fully reviewed the file and considered the representations Mrs B made after our investigator's assessment.

I recognise that Mr and Mrs B will be disappointed by my decision and I'm sorry to read that Mrs B has had a period of very ill health, but I don't uphold this complaint. I'll explain why.

Barclays no longer have a copy of the sales call – but this is not surprising given the passage of time. In these circumstances I have made my decision based on the representations made and the documentation produced at the time.

Mr and Mrs B agree that they completed the application form and returned it. This didn't include critical illness protection. This part of the form was left blank. Although Mrs B feels that they should have been sold this protection, Barclays were not under any obligation to sell this to Mr and Mrs B. Mrs B has said that Barclays should have checked the form to see that it was correct, but there is nothing before me to suggest that cover was requested, or therefore that the form was incorrect.

Mrs B feels strongly that Barclays should have sold this insurance to Mr and Mrs B, but I can see that Barclays wrote to Mr and Mrs B, including a quotation for life and critical illness cover. The letter set out that they had declined this cover, and the possible implication of this. The letter sent in October 2017 included the following:

During your meeting we highlighted the importance of ensuring that your mortgage is protected in the event of your death or diagnosis of a specified critical illness.

You were offered an opportunity to review your mortgage related protection needs and receive a personal recommendation to address any needs identified.

The information you provided during the review confirmed that you do not want to proceed with our recommendation because you want to look at alternative providers.

We have explained that the implications of this decision could result in you having a gap in your mortgage related protection provision. In the event of death or diagnosis of a critical illness you will continue to have a responsibility to repay your mortgage debt.

Mr and Mrs B have been sent a copy of this correspondence but made no further comments.

This may have prompted them to take out critical illness cover, but they didn't do so with Barclays. In any event it wasn't a requirement for their mortgage.

Barclays was required to provide Mr and Mrs B with clear, fair and not misleading information. I don't find it failed to do so. I am very sorry that my decision will bring Mr and Mrs B unwelcome news, but in all the circumstances I don't find that Barclays has done anything wrong or treated Mr and Mrs B unfairly, unreasonably or contrary to law.

My final decision

For the reasons given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 29 April 2024.

Lindsey Woloski
Ombudsman