

The complaint

Mr and Mrs C complain about the way that Barclays Bank UK PLC administered a Travel Pack Plus. They believe that Barclays has caused them to lose out on the cover they had for pre-existing medical conditions.

What happened

The background to this complaint is well-known to both parties. So I've simply set out, in my own words, a summary of what I think are the key events.

Mr and Mrs C held a Barclays Travel Pack Plus. This included travel insurance, as well as other add-ons. The travel insurance policy was underwritten by an insurer I'll call A and A had agreed to cover Mr and Mrs C's pre-existing medical conditions.

In December 2023, Barclays wrote to Mr C to explain that the cost of the Travel Pack Plus would be increasing from £18 per month to £22.50. Later that month, Mr C called Barclays to downgrade his cover to a cheaper Travel Pack. In brief, Barclays' call handler told Mr C that the only difference between the two packs was that he'd lose lounge access, airport parking and hotel discounts. Mr C's Travel Pack Plus was cancelled and a Travel Pack was set-up.

However, Mr C learned that as the Travel Pack Plus had been cancelled, he and Mrs C had lost the cover for their pre-existing medical conditions and would need to go through a new medical screening with A. Initially, it appeared that a medical upgrade with A would cost around £30. However, as Mr C had been diagnosed with a new condition, A later told him that it could no longer provide cover for his pre-existing conditions and that cover for Mrs C's conditions would cost £110.

Mr and Mrs C were very unhappy and they complained to Barclays. They said that if the call handler had made the implications of cancelling the Travel Pack Plus clear, they wouldn't have cancelled it. So they asked Barclays to reinstate the Travel Pack Plus and pay compensation for their time and costs.

Barclays acknowledged that its call handler hadn't explained the implications of cancelling the Travel Pack Plus on cover for pre-existing medical conditions to Mr C. It offered to pay Mr and Mrs C £30 in compensation representing the initial quote for the medical upgrade and £50 additional compensation.

Mr and Mrs C remained unhappy with Barclays' stance and they asked us to look into their complaint.

Our investigator considered all of the evidence. Barclays had confirmed that the Travel Plus Pack had been withdrawn from sale in 2020, so there was no possibility that it could be reinstated. She accepted that Barclays' call handler hadn't told Mr C that by cancelling the Travel Plus Pack and taking out a Travel Pack, he'd need to go through a new medical screening with A. But she also noted that the fee increase letter Barclays had sent Mr C in December 2023 - ahead of the call - explained that if a customer cancelled their existing Pack and opened a new one, they'd need to go through a new medical screening. The letter

stated that this could result in a customer needing to pay more or potentially result in the loss of medical cover. And she also noted that even if Mr and Mrs C had remained on the Travel Plus Pack, they'd have been migrated over to a new Pack in September 2024 and would have needed to go through medical screening at that point. So she thought A would still have declined to offer Mr C medical cover. This would've meant Mr C would still ultimately have been left in a similar position, even if he hadn't cancelled the Travel Plus Pack in December 2023.

So the investigator felt that while Barclays had accepted some failings in its actions, the compensation it had already offered was enough to put things right.

Mr and Mrs C disagreed. They felt it was bizarre that Barclays had upheld their complaint but we hadn't. They said Mr C's medical condition had been temporary. And they felt the compensation Barclays had offered was derisory.

The complaint's been passed to me to decide.

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.

Having done so, whilst I'm sorry to disappoint Mr and Mrs C, I think Barclays has already made a fair offer to settle their complaint and I'll explain why.

The relevant regulator's rules say that banks must provide their customers with information which is clear, fair and not misleading. I've taken those rules into account, amongst other relevant regulatory principles and guidance and the available evidence, to decide whether I think Barclays treated Mr and Mrs C fairly.

It's clear that Barclays accepts that during the call of 29 December 2023, its call handler didn't fully explain to Mr C the implications of cancelling the Travel Plus Pack and applying for a Travel Pack on the cover he already held with A for pre-existing medical conditions. Instead, I can understand why, based only on the call, Mr C may have understood that by replacing the Travel Plus Pack with the Travel Pack, he would only be losing lounge access, airport parking and discounts. To that extent, Barclays upheld Mr and Mrs C's complaint.

However, I don't think it would be reasonable to simply take this call in isolation when deciding what I think the fair outcome to this complaint should be. So I've also taken into account other available evidence and considered whether I think any information failing during the call has ultimately caused Mr and Mrs C to lose out. I'll explore this further.

Having listened to the call, it seems to me that Mr C was prompted to downgrade the Travel Plus Pack because of the fee increase communication which he received in December 2023. Barclays sent a copy of this two-page communication to Mr C by digital letter and by email, in line with his communication preferences. Page two of the letter explains that if a customer is unhappy with the changes to their Travel Plus Pack, they can cancel it at any time. It also says that cover will end as soon as a customer cancels their pack.

Immediately underneath, the letter says:

'Cancelling your pack if you have pre-existing medical conditions

We've changed the way we cover pre-existing medical conditions on new packs. If you cancel your pack and open a new one in the future, you'll need to complete a new

online medical screening for all conditions.

This could mean you pay more, and we may no longer be able to cover specific conditions currently included in your pack. (My emphasis added).

In my view, this communication made it clear that if a customer cancelled their existing pack and took out a new one, they'd need to go through a new screening. I also think the communication set out in a clear, fair and not misleading way that a customer's existing medical conditions might not be covered or could cost more to insure. While Mr C may not have read the full communication, I don't think I could reasonably find that he didn't have access to this clear information ahead of making the call.

I'm mindful too that during the call, the call handler did explain that the Travel Plus Pack would need to be cancelled and he'd need to reapply for a Travel Pack. Mr C didn't indicate that he didn't want to cancel the pack.

Barclays has provided a copy of the annual eligibility statement it sent to Mr C in January 2023. The covering letter stated the following:

'Let us know about any changes to your health before you travel

It's important you check you're covered for any existing medical conditions before booking your trip or going on holiday. in case you need to make a claim. If you have an existing medical condition. including recent referrals or investigations for you or anyone travelling on your policy, or something changes in the future, you'll need to let us know. Please see enclosed insert for full details of when you need to contact us.'

The insert was titled '*check your insurance cover with your Travel Plus Pack*'. And it includes the following:

Before booking a trip if:

- *There are any changes such as increased medication, hospital admissions or referrals for a previously accepted medical condition since the date of the last screening for you, your partner or your children.*
- *You, your partner or dependent children have developed any new conditions in the last 12 months where you've:*
 - *been prescribed medication or repeat medication, and/or*
 - *received or are awaiting medical treatment, tests or investigations, and/or*
 - *been referred to or had follow up with a specialist, and/or*
 - *been admitted to hospital or had surgery.*

Then please contact the Medical Risk Assessment helpline...'

Barclays has told us that even if Mr C hadn't cancelled the Travel Plus Pack, A still wouldn't have provided cover for any trips he'd booked following the change in his health. So it seems to me that even if he hadn't cancelled the Travel Plus Pack in December 2023, A would likely have withdrawn medical cover for him following his new diagnosis in any event.

And even if I'm wrong on that point, Barclays has provided evidence that in September 2024, any customers who remained on the Travel Plus Pack would've been migrated to a new pack which required customers to go through a new medical screening. So it seems to me that even if Mr C's Travel Pack Plus hadn't been cancelled in December 2023, he'd have

needed to go through a new medical screening in September 2024. And I find it's most likely that A would have declined medical cover for Mr C at that point, as well as requiring Mrs C to pay an additional premium for her medical cover.

In the round then, while there were information failings on Barclays' part, on balance, I find it's most likely Mr and Mrs C would still have ended up in the same or broadly similar position even if they hadn't cancelled the Travel Plus Pack when they did. So I don't think I could fairly find that they've been caused any material loss as a result of any errors by Barclays.

As such, I'm satisfied that the compensation Barclays has already offered Mr and Mrs C of £30 to reflect the original quoted cost of the upgrade, together with an additional £50 compensation, is fair, reasonable and proportionate to reflect the likely impact of its errors on them. And so it follows that I'm not directing it to do anything more. Barclays must now pay Mr and Mrs C the compensation it's offered if it hasn't done so already.

My final decision

For the reasons I've given above, my final decision is that Barclays Bank UK PLC has already made a fair offer to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 21 February 2025.

Lisa Barham
Ombudsman