

## **The complaint**

Mrs B is complains that Barclays Bank UK Plc mis-sold her an income protection policy.

Mrs B has brought her complaint through a third-party representative, however for simplicity, I'll refer to submissions as being made by Mrs B personally.

## **What happened**

Mrs B was sold an income protection policy by Barclays back in 1993 which lapsed in 2019. There are other policies Mrs B said were mis-sold, however, I'll only be considering the income protection policy as part of my final decision. The other policies will be considered separately from this complaint.

Mrs B said the income protection policy was mis-sold because she was effectively forced into taking it by Barclays' financial adviser. She explained that it was unnecessary as she had ample savings at the time which she could've relied upon should she have become incapacitated and unable to work. Mrs B also said Barclays told her she had to have income protection cover to support her mortgage in case should she become incapacitated. Mrs B said she owned two properties at the time and neither had an outstanding mortgage. However, she wanted to purchase another property (which I'll refer to as her investment property) with the view to completing restoration work and sell on and she was told that she needed to mortgage her existing properties to do that.

It was this action that led to the sale of the income protection cover. Mrs B has made other arguments about the way Barclays handled the sale of those mortgages as she said that she was made to take mortgages on her existing properties in order to be accepted for the investment property mortgage. I won't be considering the sale of any mortgage as part of this complaint for the reasons I've explained.

Barclays said there was limited information available from 1993, however, it consented to us investigating Mrs B's complaint. Barclays said its lending criteria at time was such that it required Mrs B to have the relevant level of protection, provided by Life and Critical Illness policies, in order to receive the mortgage. Further, it said it was able to locate notes from the financial adviser which indicated Mrs B was happy to proceed with the cover. Barclays also said it paid Mrs B £200 compensation for the delay in responding to her complaint.

Our investigator didn't uphold this complaint. He concluded Barclays hadn't mis-sold the policy and said the evidence suggested Mrs B wanted the income protection cover because it was more comprehensive than the level of cover offered by her other Life and Critical Illness policies. He also noted Barclays made its recommendations based on the information Mrs B provided at the time and that she'd enjoyed the benefit of cover for a significant period.

Mrs B, unhappy with that, asked for an ombudsman to consider her complaint. In summary, she said;

- The financial adviser made it clear that it wasn't an option not to take the

recommended cover;

- Barclays hadn't shared with her a copy of the call note it relied upon from November 1993;
- That the policy wasn't required, or wanted, given her financial situation and her plans to sell the investment property in a relatively short period of time and;
- The deferred period was incorrect, the policy said 26-weeks and Mrs B said this was incorrect and therefore unsuitable.

And so, it's now for me to make a final decision on whether the income protection policy was mis-sold.

### **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, I've decided not to uphold it. My reasons for doing so are similar to those already provided by our investigator. I fully understand and acknowledge Mrs B's arguments about why she feels the income protection policy was mis-sold, but I'm not persuaded by them. I'll explain why.

I'm satisfied advice was provided by Barclays through its financial adviser. Mrs B's made arguments about the adviser's impartiality, given that he worked for her local Barclays branch. Mrs B's argument about that, in summary, was that she was unfairly told that she needed to take the income protection policy and that this was more beneficial to it rather than her. To be clear, I understand the connection she's making here and the suggestion that the adviser had a vested interest to upsell products that were beneficial to the bank, but I'm not persuaded that's the case here. I should say that it's not unusual for advisers to have relationships with financial institutions for which they recommend products.

In these particular circumstances, the adviser worked for Barclays and I've not seen any evidence that suggested Mrs B was unaware of that. I say that because in her testimony, she explained the adviser was the local branch manager and given what I've just explained, I don't think that's reason enough to say that she's been treated unfairly.

Barclays is required to adhere to the rules set out by the regulator, The Financial Conduct Authority. In the Insurance: Conduct of Business Sourcebook (ICOBS), under ICOBS 5.3 it says Barclays should provide personal recommendation on the basis of a fair and personal analysis. Based on the information provided and having carefully considered the sale of this policy from the limited available evidence, I'm satisfied Barclays fulfilled its responsibilities here.

Barclays explained this was a requirement in order for it to finance the purchase of Mrs B's investment property, alongside Life and Critical Illness cover. I know Mrs B's argument that she feels this wasn't needed, given her ample finances at the time, but that's not the test I've applied here. Barclays is within its commercial right to decide its own lending criteria and so should it require consumers at that time to have cover, then that's not something Mrs B's able to successfully challenge. Further, I've not seen any evidence that persuades me the income protection policy was a necessary requirement or condition of the mortgage. The evidence I've seen suggests that Mrs B wanted additional coverage should she become incapacitated – which is why the policy was recommended after the mortgage was offered.

I'm further persuaded that Barclays adhered to the rules as there's evidence to suggest the adviser discussed Mrs B's needs and provided her with illustrations of suitable plans for her to make a choice about which provider to choose. I should be clear that I've not seen those illustrations as the passage of time that's lapsed means that evidence is no longer available, however, I'm able to reach a decision on the balance of probabilities, and I find that it's more likely than not, Mrs B was provided with this information, and she was then able to make a decision based upon the advice given.

Mrs B's made arguments about the suitability of the advice she received and suggested, in particular, her personal circumstances were perhaps another reason Barclays were insistent that she take the policy. I acknowledge Mrs B's testimony here, however, there's no evidence from the time of sale to support what she's said about that. Further, given that Barclays has already explained this was a requirement to secure the funding for her investment property, I'm not sure there's a finding for me to make in these specific circumstances.

There are notes from the adviser which give reasons for the recommendation at the time. The notes say;

*"Miss M [as she was known then] looking for protection against long-term illness, after the SSP ceases. Critical illness had been quoted, but coverage felt to be inadequate"*

Further, a call note, from the adviser in November 1993 says;

*"With regard to CI cover, she is not happy with the cost of this type of cover and she also prefers coverage on all illnesses. I discussed in some detail the subject of P/H, bearing in mind her occupation as a solicitor. She is happy with the principle and quotes to be issued asap for benefit of £15k p.a to NRA 60. Deferment period to be 26 weeks in line with SSP. Illustrations obtained from Permanent, Eagle Star and Western Provident"*

I've highlighted this because Mrs B explained that she didn't want, or need the income protection cover, however, I'm not persuaded by that given the adviser's notes following a conversation they had back then. In addition, the 26-weeks deferred period was discussed and so although Mrs B explained that was incorrect, the available contemporaneous evidence persuades me further that this was recommended following a conversation they had at that time. Barclays has evidenced and explained its reasons for the recommendations made and I'm persuaded this was made after personal analysis of Mrs B's circumstances, which I thought was fair.

It's for these reasons I don't uphold Mrs B's complaint because I don't consider the income protection policy to have been mis-sold. I've also not seen any persuasive evidence to show the recommendation was unsuitable, based on the information she provided Barclays at the time.

### **My final decision**

For the reasons I've explained, I don't uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 27 January 2025.

Scott Slade  
**Ombudsman**