

The complaint

Mrs F complains Clydesdale Financial Services Limited trading as Barclays Partner Finance (BPF) didn't include insurance cover when she acquired a new mobile phone through a fixed sum loan agreement.

What happened

Mrs F not being able to successfully apply for the fixed sum loan agreement online

On 13 April 2023, Mrs F says she went to apply for a fixed sum loan agreement for a new mobile phone device online. However, due to a technical issue online, which Mrs F says was BPF's fault, Mrs F wasn't able to complete the application.

Mrs F called BPF on the same day to ask for help and after some time, Mrs F was advised to go into the suppliers' store to complete the application, which she did on 14 April 2023. The total amount due under the agreement was £949, to be paid in 23 monthly repayments of £28.29 and a final repayment of £28.33.

Mrs F says had there not been the technical issue online, her application would have proceeded without any problems.

BPF said the agreement was never activated and that the issue Mrs F faced online wasn't because of BPF's error. BPF said Mrs F was accepted for the finance on their end, however, the application didn't complete because Mrs F hadn't ticked the terms and conditions section of the application. BPF said they tried to help Mrs F over the phone, but after the 90-minute time limit, the application timed out and was cancelled by the supplier. So BPF said because of this, they advised Mrs F to visit the supplier's store to complete her application for the fixed sum loan agreement.

Mobile phone insurance not added to Mrs F's successful application

Mrs F says when she went in store on 14 April 2023, she was expecting to pick up her new mobile phone. But instead, she was told she'd need to redo the application because she says the one she attempted to do online the previous day hadn't been signed. So, Mrs F asked them to create the same application she'd attempted the previous day. After some time, Mrs F's application was successful, and she was given the new mobile phone.

Mrs F said she hadn't realised the store manager didn't include the insurance cover for the mobile phone device that she wanted. And that she didn't look at the agreement at the time to notice the insurance cover wasn't added. The insurance cover is provided by the supplier, and it covers the device for repairs, replacement and technical support.

Unfortunately, Mrs F says her mobile phone device was stolen from her in July 2023. Mrs F went back into the store the next day and she was told that she had no insurance cover in place. Mrs F told us she included the insurance cover when she attempted to apply for the agreement online on 13 April 2023. So, the successful agreement ought to have had it

included too. But because it wasn't, Mrs F says she wasn't able to claim on the insurance and get a replacement device.

Mrs F says had there not been a technical issue online on 13 April 2023, her application would have gone through successfully with the insurance cover added. Mrs F says she wants the fixed sum loan agreement cancelled and a refund of the repayments she's made so far to date.

BPF said Mrs F hadn't included the insurance cover in either of the applications – not the one she attempted online nor the one she successfully did in store. BPF acknowledged in July 2023, when Mrs F made her complaint to BPF that she was incorrectly told the insurance was included in the online application Mrs F had attempted. BPF also acknowledged Mrs F sent several emails which weren't responded to. So, they offered £150 for the inconvenience caused and the misinformation Mrs F was told.

Our Investigator considered Mrs F's concerns. In summary, she said she listened to the call between Mrs F and BPF's advisor when she was trying to complete the online application on 13 April 2024. And in this call, the advisor said there wasn't any system issues on their side and suggested it might have been an issue with Mrs F's online browser. Our Investigator said the evidence didn't show the insurance product had been added on either of the applications made and she didn't think this was as a result of BPF not acting as they should have done. However, our Investigator said BPF could have done more to help Mrs F and she recognised that being told the incorrect information about the insurance being added by BPF's advisor wasn't helpful to Mrs F. So, our Investigator felt BPF's compensation of £150 was fair.

Mrs F disagreed. She reiterated she was told by BPF's advisor that the insurance product was added and that she's been paying for a mobile phone device she no longer has. So, the complaint has 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.

I'm sorry to read of Mrs F situation and about her health. I understand what happened when Mrs F's phone was stolen was very upsetting for her. Essentially, Mrs F's complaint is had there not been a technical issue, her online application on 13 April 2023, would have gone through successfully meaning she would have had the insurance cover in place. So, when her mobile phone was stolen, Mrs F says she would have been able to make a claim and get a replacement device.

With that said, I'll first consider the issue Mrs F faced when trying to apply for the fixed sum loan agreement online and whether this ultimately led to her not getting the insurance.

Mrs F not being able to successfully apply for the fixed sum loan agreement online

BPF have provided a call recording between Mrs F and their advisor on 13 April 2023 – Mrs F says to the advisor that she wasn't able to click on the section to electronically sign the online application. The advisor spent some time walking Mrs F through the relevant online steps during the call and at the point in which Mrs F reaches the applications' terms and conditions stage, this was where she encountered the issue she described.

During this call, Mrs F says the supplier told her BPF were experiencing issues that day and that she thinks this could be the reason why she was facing issues with completing the

application online. Mrs F also provided us with a copy of an email from the supplier which says, *"This transaction was processed in-store due to a technical issue online, as the finance would not complete initially."*

I appreciate Mrs F is adamant the technical issue was BPF's responsibility, however, I haven't seen any evidence to persuade me this was the case. BPF say they investigated things and didn't find there was a technical issue with their system on that day. Additionally, the email from the supplier doesn't specify what the technical issue online was down to and how they came to this conclusion. In any case, the BPF advisor provided Mrs F with an alternative – to go into store, which Mrs F did.

I appreciate Mrs F's frustrations, especially as she then had to go in store to complete the application which she said took a long time and involved further calls with BPF. It's difficult for me to say exactly why Mrs F wasn't able to complete the application online. However, I'm not persuaded the issues Mrs F experienced online made a difference as to why she didn't have insurance cover for the device in place. I'll go on to explain why.

Mobile phone insurance not added to Mrs F's successful application

I note BPF said they requested information from the supplier as to what happened during the application and whether there was an error on the supplier's part in not adding the insurance cover when Mrs F went into the store. Section 56 of the Consumer Credit Act 1974 has the effect of deeming the supplier to be the agent of BPF in any antecedent negotiations. So BPF are responsible for the antecedent negotiations the supplier carried out direct with Mrs F.

I'll never know what was said between the supplier and Mrs F when she went in store for the application because I wasn't present at the time. So, I'll think about what, on balance, more likely happened with the evidence and information available to me – which does take into account what Mrs F has told us.

Having looked at the steps BPF provided for the insurance cover to be added to the application, I can see that this cover is chosen once a customer has selected the mobile phone device they want, along with the repayment option they want. The cover is shown as a separate product to the mobile phone, with its own cost attached. However, the cost of the insurance cover would then be included in the total repayments under the agreement. So, it's clear to me that Mrs F would have had to select the cover at the start of the application process. And I find it likely to be the same process when Mrs F went in store.

BPF have provided screenshots showing Mrs F attempted two applications online on 13 April 2023 – the first attempt was when Mrs F said she was experiencing technical issues so didn't proceed and the notes for the second suggest Mrs F didn't proceed with the application. Both screenshots include the information about the application including Mrs F's personal details along with the items she's chosen to acquire under the finance agreement and the finance amount. I can see there's only one product on both attempted application screenshots, which is the mobile phone. As I understand, if selected, the insurance cover would have been listed, as a separate item, on the application. So, by it not being there, this suggests the insurance cover wasn't chosen online.

BPF also provided a screenshot of Mrs F's successful application made in store. As with the previous screenshots, it shows much of the same information, for the same mobile phone for the same finance amount, but with a slightly different deposit amount than what Mrs F had put on the previous unsuccessful applications. But I can't see the insurance cover was added on this application information either.

BPF said they couldn't get information from the supplier about what happened in store and their comments on whether Mrs F asked for the insurance cover to be included in the successful application. However, while I understand Mrs F's frustrations and upset, I'm not persuaded the supplier have done something wrong here. I've listened to a call recording between the supplier and BPF in July 2023 when Mrs F went back into the store, and the supplier told BPF they had no record of Mrs F asking for the insurance cover to be added at the time of the successful application.

Additionally, Mrs F said when she went into store, she told them to make the same application that she'd attempted the day before. So, it doesn't seem unreasonable to me that the successful application was made using the same information from Mrs F's attempted online applications. As explained, I haven't seen any evidence to persuade me Mrs F selected the insurance cover in the attempted applications on 13 April 2023. So, I don't find it unreasonable that it wasn't included in Mrs F's successful application on 14 April 2023.

I appreciate Mrs F's frustrations as she says she's paying for a mobile phone device that she no longer has. And I can understand that Mrs F wants a replacement device. But I haven't found that BPF have done anything wrong, so I can't fairly ask them to cancel the fixed sum loan agreement and refund Mrs F with the repayments she's made.

I note Mrs F was told during a phone call with BPF's advisor in July 2023 when she made her complaint about this issue that the insurance cover had been selected during her online attempt at the application. And BPF have acknowledged this was the wrong information. As I've found, I can't see the insurance cover was added during the attempted online application, so I do think Mrs F was given the incorrect information by BPF. Our approach in this scenario isn't to ask BPF to make this misinformation true, in other words, to give Mrs F the insurance cover. Instead, I've considered the impact this had on Mrs F, and I think it caused her upset as she was led to believe the insurance cover had been added. Additionally, I think Mrs F was caused inconvenience when having to chase BPF for a response to her concerns multiple times and not receiving a response. For these reasons, I think BPF's offer of £150 seems fair and reasonable.

My final decision

Clydesdale Financial Services Limited trading as Barclays Partner Finance made an offer to pay Mrs F £150 to settle her complaint and I think this offer is fair in all the circumstances.

So, my decision is that Clydesdale Financial Services Limited trading as Barclays Partner Finance should pay Mrs F £150, if they've not already paid this to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 13 February 2025.

Leanne McEvoy
Ombudsman