

The complaint

Mr S and Mrs G are unhappy that they relied on incorrect information given to Mr S by Barclays Bank UK Plc to cancel and reinstate a 'travel pack' which included travel insurance, they both benefitted from.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. I'll focus on giving the reasons for my decision.

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.

Barclays accepts that, in May 2023, it gave Mr S incorrect information about cancelling and reinstating the travel pack he and Mrs G benefitted from on identical terms. This ultimately resulted in them not being able to buy an optional upgrade to cover all of Mrs G's pre-existing medical conditions, whereas previously it was only her pre-existing condition of breast cancer that wasn't covered under the travel insurance.

Barclays offered to pay Mr S and Mrs G £200 compensation which Mr S and Mrs G didn't accept. Barclays also agreed to reimburse Mr S and Mrs G for the cost of an alternative travel insurance policy for Mrs G. She was due to go on abroad on a pre-booked holiday shortly after Barclays' error occurred.

So the crux of the issue for me to determine is whether Barclays has done enough to put things right for Mr S and Mrs G.

For the reasons I'll go on to explain, I'm not persuaded it has. I'm satisfied that Barclays should pay Mr S and Mrs G £1,000 compensation for distress and inconvenience to reflect the impact its error had on them.

- From what I've seen I'm satisfied that the original travel pack could (and in Mrs G's case, did) provide cover for some pre-existing medical conditions but not others.
- I'm also satisfied that before the conversation between Mr S and Barclays' representative took place (and Barclays' error occurred), changes had been made to the standard terms of the travel pack. However, if the pack holder had bought the travel pack before the date the updated terms and conditions came into effect, then the existing terms and conditions wouldn't be impacted.
- Under the new terms and conditions, a medical declaration needed to be made to see if pre-existing conditions would be covered. If they were accepted, the pack holder was given the option to buy a 12-month medical upgrade to cover pre-existing medical conditions for those insured under the terms. If after screening, a particular declared condition couldn't be covered (determined by the insurer's underwriting criteria), the upgrade wouldn't be offered and there would be no cover for pre-existing medical conditions.
- When the travel pack was cancelled and then immediately reinstated, the updated

terms and conditions applied. As a result, when Mrs G's pre-existing conditions were subsequently screened, cover was declined for all of Mrs G's pre-existing conditions.

- I'm persuaded that had Barclays' error not occurred, the terms of the travel pack wouldn't have changed at that time for Mr S and Mrs G. And, apart from breast cancer, I'm persuaded that Mrs G's other pre-existing would've remained covered under the travel pack as they'd previously been.
- On the balance of probabilities, I'm satisfied that if the original travel pack hadn't been removed (to be replaced by another with updated terms and conditions), the terms of the original travel pack would've remained in place until the beginning of 2025, at the latest. Barclays says that's the latest date all policies taken out before January 2021 would've migrated to the new terms and conditions which were brought in around April 2023. I accept what Barclays says about that. It's common for terms and conditions to be harmonised over a period of time rather than there being lots of different policy terms which can be difficult and confusing to administer. From what I've seen, and in the absence of any convincing evidence to the contrary, I've got no reason to doubt that the terms of the original travel pack Mr S and Mrs G benefitted from would've migrated to the updated terms by early 2025 like all packs bought before January 2021. I find that timeframe to be plausible as Barclays says travel packs purchased between January 2021 and April 2023 were migrated to the updated terms in June 2023.
- As a policy upgrade wasn't offered, and Mrs G's pre-existing conditions weren't covered when the updated medical screening was carried out in May 2023, I'm persuaded that that none of Mrs G's pre-existing medical conditions would've been covered when the terms eventually migrated.

The impact of Barclays' error

Mr S and Mrs G say that they couldn't afford alternative travel insurance which covered Mrs G's pre-existing medical conditions after the original travel pack was cancelled in May 2023.

Up until the global Covid-19 pandemic in 2020, Mr S and Mrs G say they were frequent travellers, travelling abroad three to four times each year. Apart from the holiday that Mrs G took shortly after the date of Barclays' error, they say they'd planned (but hadn't yet booked) to go on holiday for ten days in June 2023, to a European destination but were put off due to the cost of travel insurance. They also say they were prevented from booking other holidays abroad for the same reason and given Mrs G's diagnosis, they were looking forward to spending time together away.

I have a lot of empathy for the situation Mr S and Mrs G found themselves in and I can understand why it would be frustrating and upsetting not being able to travel abroad because of the cost of alternative travel insurance. And but for Barclays' error, that issue wouldn't have arisen.

I've got no reason to doubt that they didn't end up booking their planned holiday for June 2023 because of Barclays' error and I accept this would've been upsetting.

Mr S and Mrs G have also described other personal events which happened later in 2023 (and continued into 2024). I'm satisfied it's fair and reasonable to assume they would've either been prevented from booking a further holiday then or their personal circumstances would've most likely led to any pre-booked holidays arranged for that time being cancelled.

However, I accept it's entirely possible that Mr S and Mrs G would've planned and booked further holidays in 2024 and before the terms and conditions of the original travel pack eventually migrated to the updated terms. And on the balance of probabilities, I'm satisfied that they missed out on a further two holidays abroad because they couldn't afford alternative travel insurance to cover Mrs G's pre-existing medical conditions in addition to

the cost of the holiday. I accept this would be frustrating and upsetting for them, particularly given the reason why Mr S and Mrs G liked to spend time abroad.

Before cancelling and re-adding the travel pack, Mr S sought assurances from Barclays that that the travel packs were identical. He was assured that they were. So, I can understand it was particularly upsetting for him and Mrs G to find out that this wasn't the case and to discover that the consequences of acting on the wrong information given by Barclays were irreversible.

Although there is always an element of inconvenience caused by complaining to a financial business, I'm also satisfied that Mr S, in particular, has been put to unnecessary inconvenience by spending considerable time trying to get to the bottom of what happened. I accept this would've also been upsetting and frustrating for them both. I also think this would've been exacerbated by Barclays sending information about the travel pack to Mr S' mum's address who had sadly died by this time.

I'm pleased to see that Barclays promptly accepted that the error around removing and re-adding the travel pack was its fault and it covered the cost of an alternative travel insurance policy for Mrs G (so she didn't miss out on her holiday that had been booked).

However, I don't think Barclays fully appreciated the immediate and lasting impact its error had on Mr S and Mrs G. And I don't think its offer of £200 compensation is fair and reasonable. Mr S and Mrs G say compensation in the region of £15,000 is more reasonable.

I know they'll be disappointed, and I don't seek to diminish the impact Barclays' error had on them, but I'm satisfied that £1,000 total compensation is a fair reflection of the distress and inconvenience they both experienced.

Mr S and Mrs G also say Barclays should pay them an amount to cover the cost of travel insurance they would've had to pay for the period May 2023 to January 2025. However, Mr S and Mrs G didn't pay for alternative travel insurance during this time so this isn't a financial loss they experienced. So, I don't think it would be fair and reasonable for Barclays to pay them the likely cost of travel insurance for the period they mention.

My final decision

I uphold this complaint and direct Barclays Bank UK Plc to pay Mr S and Mrs G £1,000 compensation for distress and inconvenience. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs G to accept or reject my decision before 30 April 2025.

David Curtis-Johnson
Ombudsman