

## **The complaint**

Mr G complains that Barclays Bank UK PLC removed the overdraft from his current account when he asked it not to. He's also complained that once the overdraft was removed, some of the insurance cover he paid extra for was cancelled.

## **What happened**

Mr G had an overdraft facility with Barclays. Mr G also had an overdraft payment protection insurance (PPI) to cover his overdraft in the event that he couldn't repay the overdraft due to disability, hospitalisation, unemployment or if he passed away.

On 31 May 2022, Barclays wrote to Mr G to let it know that it intended to remove the overdraft facility from his account. The letter gave Mr G 30 days to contact it if he thought the information it had used to make this decision was out of date or incorrect – and it said it would look at its decision again. The 30 days gave Mr G until 30 June 2022 to contact it. And if it didn't hear from Mr G the overdraft would be automatically removed on 19 July 2022.

Mr G contacted Barclays on 2 July 2022 by phone. He said he didn't want the overdraft removing and he was also unhappy that the PPI he had been paying for with the overdraft had also been cancelled. Barclays said that Mr G had contacted it outside of the time allowed to appeal the decision to remove the overdraft and so it said it couldn't be reinstated. It also said that it doesn't offer PPI anymore and so it wouldn't be able to re-add this to his account.

Mr G was unhappy with Barclays' response – he said he had tried to contact Barclays before 30 June 2022 using the online chat facility.

Mr G said the service he received from Barclays has been poor. He's tried to contact them many times without response, he said he didn't receive call backs when he asked for them and he didn't get an answer to some of the questions he asked. He's explained that he finds it difficult to use the phone and has to take extra medication when he has a phone call.

Barclays didn't uphold Mr G's complaint. Essentially, it felt it had acted fairly in cancelling both the overdraft and the overdraft insurance. Unhappy with Barclays response, Mr G referred the matter to this service.

Prior to our Investigator coming to a view, Barclays noticed that it hadn't applied a care marker to Mr G's account. Because of this, it offered Mr G £100 to say sorry.

An Investigator considered what both parties had said. The Investigator didn't think Barclays had acted unfairly when it cancelled the overdraft or the overdraft insurance, and they explained their reasoning for this. The Investigator agreed Barclays could have done better and should have applied a care marker to his account earlier, however they felt that they £100 Barclays offered Mr G was enough to put things right here.

Mr G remained unhappy with the outcome of his case, and so the complaint has been passed to me to decide on the matter.

## **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 considered all of the available evidence, I won't be upholding Mr G's complaint. I appreciate this will be disappointing for Mr G, however I will explain my reason for this below.

The letter Barclays sent Mr G about the removal of the overdraft facility gave him 30 days from 31 May 2022 to contact it to let it know if he thought its decision had been made based on incorrect or out of date information. This would give Mr G until 30 June 2022 to get in touch with Barclays. Barclays say the first contact it received from Mr G was on 2 July 2022 – which was outside of the 30-day period. I appreciate that Mr G says he did try and contact Barclays many times online within the 30-day period. I asked Barclays if they have any evidence of receiving contact from Mr G online, however it has responded with evidence to suggest that it didn't receive contact from him within the 30 days.

Even if Mr G did speak to Barclays within the time period stated in the letter, I don't think Barclays decision to remove the overdraft facility would have changed. I say this because I haven't seen any evidence to persuade me that Barclays' decision to remove the overdraft was based on out of date or incorrect information. Barclays has also provided me with a response from its underwriting team to say that even if Mr G had contacted it in time, it wouldn't have changed its decision in relation to the overdraft removal – and it would have still removed it on 19 July 2022, as outlined in the letter.

Overall, I don't find that Barclays has acted unfairly or unreasonably by removing Mr G's overdraft. And given that Mr G hadn't recently used the overdraft facility, I don't think he's lost out here.

I note that Mr G also complains about the cancellation of the PPI product that he paid to cover the overdraft. The purpose of this policy was to cover any outstanding overdraft amount in the event that Mr G couldn't work because of one of the specified events in the policy. Because the overdraft was cancelled, there was essentially no overdraft left for the policy to cover, so I don't think Barclays decision to cancel the policy when it cancelled the overdraft was an unreasonable one.

I know Mr G is particularly upset by the cancellation on the life cover (Mr G has referred to this as death cover) part of the policy. He says the benefit for this cover would have paid out £10,000 in the event that he passed away. But looking at the documentation provided by Barclays, I can see it would only have paid out upon Mr G's death to cover any outstanding overdraft amount, so it would pay *up to* £10,000 to pay off the overdraft. Because the overdraft had been cancelled, and there was no overdraft amount repayable, there wouldn't be a situation where the policy would pay out, because the policy was designed to cover a product that no longer existed on Mr G's account.

Essentially what I'm trying to say here is that the policy won't pay out unless there is an outstanding overdraft. So Barclays acted fairly in cancelling the cover when it cancelled the overdraft – as otherwise it's charging Mr G for something he can't ever benefit from.

Barclays has said that Mr G can reapply for an overdraft if he wants to. However, I will note that Barclays no longer offers the overdraft cover.

Mr G said he received poor service from Barclays relating to all of this. Barclays also agreed that it could have done better and that it should have applied a care marker to his account much sooner than it did. Because of this, Barclays offered to pay Mr G £100. I think this is a fair to resolve the service issues part of Mr G's complaint. And Barclays should pay Mr G the £100 if it hasn't done so already.

### **My final decision**

For the reasons set out above, I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 25 March 2024.

Sophie Wilkinson  
**Ombudsman**