

The complaint

Miss M complains about the sale of a life insurance policy by Barclays Bank UK PLC.

What happened

In 2019, Miss M took out a life insurance policy through Barclays. The sale took place in a branch. However, she says she thought she'd taken out a pension, and only realised it was a life insurance policy in 2023 when her representative (Mrs G) checked her paperwork.

Mrs G complained to Barclays about the sale, and said Miss M has learning difficulties so wouldn't have understood what she was taking out. Barclays didn't uphold the complaint, and so Mrs G brought the matter to the Financial Ombudsman Service on Miss M's behalf. The policy was cancelled in June 2023.

Our investigator didn't recommend the complaint be upheld. Although Mrs G had confirmed that Miss M has learning difficulties, he said Barclays hadn't been aware of this when the policy was sold. So he didn't think Barclays had done anything wrong, and concluded the policy hadn't been mis-sold.

Mrs G didn't accept our investigator's findings, and so the matter has been passed to me for a 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.

Mrs G says the policy wasn't suitable for Miss M, as she doesn't have any financial responsibilities and her child lived abroad at the time.

The policy was sold on a non-advised basis. That means that Barclays didn't need to make sure the policy was suitable for Miss M, but it was required to give her sufficient information about the policy so she could understand how it worked.

Unfortunately, Barclays has very little information relating to the sale, due to the time that has passed since it was taken out. As the sale took place in a branch, I don't know what was discussed. I also don't know what paperwork was given to Miss M by Barclays. Though I see the insurer sent Miss M a copy of the policy terms directly on 15 January 2019. I've looked at this document, and I'm satisfied this made it clear that Miss M had taken out life cover rather than a pension. The document explains that benefit will be paid in the event of Miss M's death.

When Miss M took out the policy in 2019, she had an existing life insurance policy in force. This was taken out in 2012 (with another insurer). It seems she took out the 2019 policy to replace the 2012 policy. The 2019 policy was for a higher amount of benefit, so I assume that's why Miss M did this. Barclays says it didn't give Miss M any advice about this, and it didn't cancel the 2012 policy for her. Presumably Miss M therefore cancelled the 2012 policy

herself when taking out the 2019 policy as I understand she's no longer paying for it. Given that Miss M held life insurance for around seven years before taking out the 2019 policy, this supports that she wanted this type of cover.

Barclays has also provided information from the previous year (2018) where Miss M had made an enquiry about life insurance to protect her family. Again, this supports that Miss M wanted life insurance.

I haven't seen any evidence which indicates that Barclays led Miss M to think she would be taking out a pension.

Mrs G has explained that Miss M has some learning difficulties. Though Barclays wasn't made aware of this, and so it didn't have an opportunity to make any adjustments for her, if she'd needed them. Barclays has shown that Miss M was in control of her own finances, and was previously able to discuss payments she didn't recognise from her account with Barclays. If Miss M wants Barclays to make adjustments for her in future, she should contact Barclays directly about this.

Whilst I recognise my decision will disappoint Miss M and Mrs G, I don't find that the policy was mis-sold.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 16 May 2024.

Chantelle Hurn-Ryan
Ombudsman