

The complaint

Mrs B complains that Barclays Bank UK Plc mis-sold her two life insurance policies. Mrs B is represented but I'll refer to all submission as being made by her.

What happened

Mrs B took out two life insurance policies at the time she purchased a property in 1993. She complains the policies were mis-sold as she had no need for life cover at the relevant time. Barclays said, that based on the information provided to their advisor, the policy hadn't been mis-sold. Unhappy, Mrs B complained to the Financial Ombudsman Service.

Our investigator looked into what happened and ultimately didn't uphold the complaint. In summary, he didn't think the policy had been mis-sold, based on the evidence that was available. Mrs B didn't agree and asked an ombudsman to review the complaint.

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.

There is no dispute that Barclays advised Mrs B to take out the policy. I've thought about whether they fairly and reasonably recommended the policy to Mrs B. Where there's incomplete and contradictory evidence, I've considered what most likely happened on the balance of probabilities.

I'm not upholding this complaint because:

- Life insurance was a condition of the lending at the time the mortgage was taken out by Mrs B. So, if she wanted to commit to the borrowing, she needed to take out protection. Therefore, I can't fairly conclude that the advisor mis-sold the first policy as it was conditional to the mortgage. If Mrs B wasn't comfortable with that as a lending condition it was open to her to seek alternative lending arrangements.
- The second policy was, in my view, most likely taken out to cover a second smaller mortgage on a different property. That's consistent with Mrs B's own testimony and other information captured during the sales process. Barclays doesn't have all the paperwork from the point of sale. That's not surprising given the passage of time as the mortgage was taken out over 30 years ago. However, on balance, I'm persuaded from the documentation that some further borrowing was disclosed. Mrs B didn't dispute this in response to our investigator's most recent opinion on the complaint.
- I don't think Barclays acted unfairly when they recommended the policy to Mrs B based on the information that was provided to the advisor. I appreciate that Mrs B feels that her circumstances were such that she didn't require cover. However, on balance, I don't think this meant the policy was inherently unsuitable for her. She had secured borrowing and the insurance would have ensured that Mrs B's mortgage was paid in full.

- As I'm not upholding this complaint, I don't think there's any need to engage with Mrs B's representations about simple and compound interest as I'm not directing Barclays to make any settlement to Mrs B.
- Barclays offered Mrs B compensation for delays in issuing their final response. Our service can't consider complaints purely about complaint handling as it's not a regulated activity. So, I make no finding about whether this amount is fair and reasonable.

My final decision

I'm not upholding this complaint.

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

Anna Wilshaw
Ombudsman