

The complaint

Mr B complains that Barclays Bank UK PLC sold him an unsuitable Life and Critical Illness policy, that didn't offer him the same level of cover as the one he had at the time.

What happened

In December 2020 Mr B arranged an appointment with Barclays to discuss protecting a mortgage he had with a different bank. Barclays recommended an L&G Decreasing Term Assurance (DTA) Policy with critical illness cover. The critical illness policy included cover for total and permanent disability. However, L&G's underwriting criteria defined Mr B's occupation as 'class three' – this meant that in order for a claim under the total and permanent disability element of his cover to be successful, he would have needed to evidence a permanent inability to complete certain 'Specified Work Tasks' as decided by L&G. Other conditions were treated the same irrespective of occupation classes.

In April 2022 Mr B unfortunately suffered an accident at work, and he enquired about his cover. Mr B believed that the information he received showed that his policy didn't provide him with the same level of cover as a policy he previously had, so he complained to Barclays about the sale of the policy.

Barclays looked into his concerns, but didn't agree it had done anything wrong. It said

- The recommended policy was suitable to meet his mortgage protection needs at the time.
- It wasn't the adviser that elected to provide a 'reduced' level of cover, but it was L&G's criteria that determined this. It said that 'specified work tasks' were standard in the industry when relating to Total and Permanent Disability for occupations in classes three and above. This was comprehensively explained in the Policy Summary and Policy Booklet, which had been uploaded to his L&G online portal at the time of the sale.
- It explained that Barclays' advisers were tied agents of L&G and were therefore not authorised to make recommendations relating to the products provided by other providers. However, it explained that Mr B's belief that his cover with L&G was less than his previous policies was not correct.
- It said that at the present time Mr B's injury was not yet considered 'permanent', and therefore he was not able to claim under L&G's policy anyway. It said that this would've been the case with his previous policies as well.
- Finally it said that Mr B was issued with the relevant documentation at the time of the sale. It said the evidence showed that Mr B logged into his portal on 21 December 2020 and ticked the box to confirm the details were correct, and also instructed L&G to commence the policy on 30 December 2020.

Mr B remained unhappy and referred his complaint this service. One of our investigators

looked into his complaint, but didn't think it should be upheld. In short, she agreed that the policy was suitable and Mr B had the appropriate level of cover. She said that it was L&G's criteria which classified Mr B's occupation in a particular way, and that is why the Specified Work tasks condition applied. She also agreed that Mr B had accessed the relevant policy documents and agreed to proceed.

Mr B didn't agree with the investigator and asked for an ombudsman's decision. He felt that the points he had made had been overlooked. He thought it wasn't fair that he was required to have checked the policy to ensure it was 'correct'. He affirmed that Barclays hadn't provided him with the appropriate service.

As agreement couldn't be reached, the case was 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'd like to express my sympathy for the difficult circumstances Mr B finds himself in, and I understand why he has raised his concerns. I appreciate this will come as a disappointment, but I'm not persuaded Mr B has reduced level of cover. I'm persuaded by Barclays' points that Mr B's previous policies had similar restrictions on this particular element of the cover. Zurich, the provider of one of his previous policies, would've classed Mr B's occupation the same as L&G, and therefore also required that he fail Specified Work Tasks before paying out. And his policy with Royal London covered him for 'suited occupation' and work tasks, which Barclays explained provided a lower level of cover than he has with L&G. This is because suited occupation may require a return to work in any occupation for which the claimant is suited.

Furthermore, the evidence on file that I've seen shows that at the time of his complaint, Mr B's injury was not yet deemed to be permanent – so whatever policy he held, he would not be able to claim under that element of his cover.

Finally, I understand Mr B may not recall being provided with the policy booklet and summary at the time of the sale. But the evidence I've seen shows that he accessed this information and instructed L&G to commence the policy. Furthermore the letter from Barclays specifically directed him to specified work tasks as a possibility following underwriting. In their letter dated 21 December 2020, Barclays said:

'Life with Critical Illness cover pays out a lump sum for the loss of the physical or mental ability to do your own occupation. Please note this may change to the completion of at least 3 of the 6 Specified Work Tasks (Walking, Climbing, Lifting, Bending, Getting in and out of a car or Writing) on underwriting. If this happens you will be informed before the policy begins.'

Whilst I understand why Mr B may not have read everything in detail, I think the information in the policy summary, combined with the policy booklet, is sufficiently clear.

It says:

'We'll cover you for the loss of physical or mental ability, due to an illness or injury, to do either your own occupation or at least three of the six Specified Work Tasks (see section headed Specified Work Tasks). The decision that applies to you will be shown in your Policy Booklet and will depend on your occupation, employment status and whether you are paid

for your work'. The Policy Booklet is clear, on page 8, that for Total and Permanent disability L&G would pay out in the event that the Specified Work Tasks criteria was met.

For all these reasons, I'm satisfied that Mr B was sold a suitable policy, with the appropriate level of cover and that this information was given to him in a clear and transparent way before he chose to proceed. I'm also persuaded by Barclays' submissions about Mr B's previous policies to the effect that his current policy has not reduced his cover. I note, in any event, that Mr B would be unable to claim until his injury was deemed permanent.

Whilst I hope that this outcome might provide Mr B some reassurance that he has cover in place should his situation deteriorate, I understand he may still be disappointed with my final decision. However, for the reasons I've given, I'm satisfied Barclays has done nothing wrong.

My final decision

My final decision is that I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 October 2023.

Alessandro Pulzone
Ombudsman