

The complaint

Mr B and Mrs B have complained that Barclays Bank UK PLC failed to take into account their death in service benefits when recommending life policies.

What happened

The facts of this matter are not in dispute and are known to both parties. In summary in 2009 Mr B and Mrs B sought advice relating to the protection of their mortgage in the event that either of them should die or suffer from a critical illness during the term of the loan. They argue that the adviser should have considered their death in service benefits when recommending suitable mortgage protection policies. They believe that had he done so the policies would have cost less.

Our investigator didn't recommend the complaint be upheld. Mr B and Mrs B appealed, through their representative. For simplicity I will just refer to Mr B and Mrs B.

They felt that they were effectively 'over sold' insurance, due to the fact that their existing benefits were ignored at the time advice was given. They appreciate that they would have potentially lost benefits had they changed employment and not be offered a similar death in service package by a new employer. But are aware they could have purchased stand alone cover should the benefits they enjoyed be lost.

As no agreement has been reached the matter has been passed to me to determine.

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.

Firstly I'm aware I've summarised the background to this complaint. No discourtesy is intended by this. Instead, I've focused on what I find is the key issue here. Our statutory function is to resolve complaints quickly and with minimum formality and our rules allow me to take this approach. If there's something I haven't mentioned, it isn't because I've ignored it. I've reviewed the complete file. My decision concerns only the complaint outlined above – the mis-sale matter having been resolved separately.

I recognise that Mr B and Mrs B will be disappointed by my decision, but I agree with the conclusions reached by the investigator for these reasons:

- I don't find that there was any error on the part of the adviser in not taking their death in service benefits into account. This is because such benefits are not guaranteed and do not stay with an employee if they change employment. I have not disregarded the fact that Mr B and Mrs B have remained with the same employers that they were with at the time the policies were sold, but this doesn't lead me to conclude that the benefit should have formed part of the adviser's recommendation at the time the policies were sold.

- Mr B and Mrs B were offered waiver of premium benefit but declined to take it on the basis that they had good sick pay from their employment. I'm not persuaded that the adviser was wrong to offer this cover, or that there is any disconnect between offering waiver cover and the fact death in service benefit was not considered when recommending life cover.
- Barclays' adviser was obliged to take reasonable care to ensure the suitability of his advice for Mr B and Mrs B. For the reason given above I don't find that the fact the death in service benefit wasn't taken into account means that the recommendation made was unsuitable. It follows that I don't uphold this complaint against Barclays Bank UK PLC.

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 Mr B and Mrs B to accept or reject my decision before 21 November 2023.

Lindsey Woloski
Ombudsman