

The complaint

Mr and Mrs K are unhappy that Barclays Bank UK Plc cancelled their travel insurance policy and the information provided when they added the travel insurance policy back to a packaged bank account. As a result, they say they've experienced financial loss.

What happened

Mr and Mrs K had the benefit of a travel insurance policy (referred to as 'travel plus pack') as part of a packaged bank account with Barclays. In or around August 2019, they say they went into branch and were advised that as they weren't using all features of the travel plus pack they should downgrade to a 'travel pack' – at a lower monthly cost.

Mr and Mrs K say they agreed to this but Barclays' representative wasn't able to alter the policy on the system, so they agreed to retain the travel plus pack.

Shortly after, Mrs K travelled abroad for a few months and Mr K followed a couple of weeks later. In October 2019, whilst away, Mr and Mrs K say they realised that the monthly cost of travel plus pack hadn't been debited from their account. They say they tried to contact Barclays to question this without success.

Also, whilst away, Mr and Mrs K say they both fell unwell and needed to be treated in hospital. They say they incurred medical costs in the region of £2,000. Mr and Mrs K also say that their bags and a purse was stolen whilst away to the value of £1,000.

After returning to the UK in November 2019, Mr and Mrs K say Mrs K visited the Barclays branch and spoke with the same representative. She says she asked why the travel plus pack had been cancelled and was told this had been done in error. Mr and Mrs K say that the representative told Mrs K that Barclays would be responsible for the losses that ought to have been covered had the travel plus pack not been cancelled.

Mrs K says that she then told the representative that she was due to shortly travel abroad again and would be taking gold jewellery with her. The travel insurance policy was reinstated, and Mrs K says the representative told her that her jewellery would be covered in full under the policy.

Whilst abroad, Mr and Mrs K were subject to a robbery and her jewellery was stolen along with a significant amount of cash – both in pounds and local currency.

After returning to the UK, Mr and Mrs K made a claim on their travel insurance policy for the cash and jewellery they had stolen when robbed towards the end of 2019, whilst abroad. However, the amounts paid were subject to the policy limits.

Mr and Mrs K would like Barclays to cover their losses as a result of travel insurance not being in place between September and November 2019 when they were deprived of making a claim under the policy for medical costs and stolen bags/purse. And the value of the gold jewellery which was robbed from Mrs K at the end of 2019.

After bringing their complaint to our service, Barclays took responsibility for the travel plus pack being cancelled in or around August 2019. It said that this was a result of a system error and it offered Mr and Mrs K £50 by way of compensation. Our investigator thought this was fair and reasonable and didn't recommend Barclays to do anything more. Mr and Mrs K disagree. So, this complaint has been passed to me to look at everything afresh 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.

Cancelling the travel pack plus in August 2019

Barclays accept that it was its error which led to the travel pack plus being cancelled. However, I don't think it would be fair and reasonable to hold Barclays responsible for the costs Mr and Mrs K say they incurred whilst away and which they would've ordinarily sought to claim for under their travel insurance policy.

That's because I'm satisfied on the balance of probabilities that if the travel insurance policy was in place during this time, in order for the claim to be considered and accepted, it's likely that the insurer of the policy would've asked Mr and Mrs K to provide documentary evidence of their stay in hospital and the medical costs incurred.

Mr K told our investigator in September 2021 that he hadn't been able to obtain any evidence to support the medical treatment he and Mrs K received – for example medical reports - and the costs incurred. They've also been unable to provide important information that an insurer would want to know such as the exact dates of when they were in hospital. Mr and Mrs K have also told our service that they think they paid for treatment in cash so there's no documentary evidence of the payments being made.

It's for Mr and Mrs K to establish their claim under an insurance policy for the costs incurred. And the annual eligibility statement sent to Mr K at the end of February 2019 reflects on page four (of four):

“Original receipts and/or any police/loss reports (e.g. for flight delay) will be required to support a claim”

This is under the heading: check your insurance cover with your travel plus pack and sub-heading: will you meet the key requirements in the event of a claim?

I also think it's likely on the balance of probabilities that, had the policy been in place, the insurer would've expected Mr and Mrs K to have reported the theft of their bags and a purse to the police and, at the very least, obtain a crime reference number. Mr and Mrs K say they didn't report the incident to the police.

Without this evidence, I think it's unlikely that the claim would've been successful so I don't think Mr and Mrs K have lost out as a result of what Barclays did wrong when cancelling the travel plus pack.

Barclays has offered Mr and Mrs K £50 in compensation, acknowledging that's its error resulted in the policy being cancelled. I think that fairly and reasonably reflects the disappointment and surprise Mr and Mrs K would've experienced by finding out the policy had been cancelled and the inconvenience of Mrs K having to attend branch to set up the policy again.

Jewellery and cash claim

The insurer accepted the claim for these losses but the claim was subject to the financial limits in the policy, which were applied. Mr and Mrs K say Barclays should be responsible for their losses over and above the policy limits. That's because they say Mrs K was told that the value of her jewellery would be covered in full in the event of a claim.

I've read the internal notes made by the representative who Mrs K spoke to in November 2019 and she says she can't recall Mrs K mentioning anything to her about her jewellery. On the balance of probabilities, I'm not persuaded that Mrs K was told that the value of her jewellery would be covered in full under the policy, if she needed to claim, when that's not what the policy said.

Further, the policy limits under the travel plus pack and travel pack were the same so even if Mrs K had opted not to take out the travel pack in November 2019, there would've been limits under the travel plus pack under the same section of the policy. And it's not uncommon for travel insurance policies to contain similar limits for valuables and money which are lost and stolen.

Mr and Mrs K have said in the complaint form they completed when referring their complaint to our service that Mrs K had taken the jewellery away with her when she travelled abroad initially in August 2019, when they believed that had the benefit of the travel plus pack. And so, the travel insurance policy would've had the same financial limits then if it had been in place. So, I don't think Mrs K would've done anything different in November 2019 even if she'd known at that stage that there were financial limits under the policy in the event of a successful claim for stolen items – including jewellery.

My final decision

Barclays Bank UK Plc doesn't need to do anything more. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs K to accept or reject my decision before 19 August 2022.

David Curtis-Johnson
Ombudsman