

The complaint

Miss M has complained that Barclays Bank UK PLC (“Barclays”) mis-sold her an Additions and Additions Active account that she took out in September 2006 and June 2009, respectively.

Miss M paid monthly fees for these accounts, which came with a number of benefits. Miss M says that she was told that she had to have these accounts.

What happened

Our adjudicators looked into Miss M’s complaint. They did not think that the Additions account was mis-sold. They did however think that the Additions Active account had been mis-sold. So they recommended that Barclays put Miss M back into the position that she would have been in had she not been sold the Additions Active account and therefore remained with the Additions account instead. So the adjudicator said that Barclays should refund the difference in fees that Miss M paid between the two accounts and add 8% simple interest to this, less tax.

Barclays agreed to refund the difference in account fees between the two accounts, although it is unclear if they agreed to the 8% interest as well. Miss M did not agree with this and so asked for an ombudsman to look at the complaint.

This decision is only relating to the sales of the Additions and Additions Plus account. I note that Miss M has mentioned that she was in financial difficulties, and she was unaware that she could cancel these accounts. If she remains unhappy about how Barclays dealt with her whilst she was experiencing financial difficulties, she would need to refer her concerns to Barclays to investigate in the first instance, as our rules state that we need to give it a chance to resolve matters first.

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.

We’ve explained how we handle complaints about packaged bank accounts on our website. And I’ve used this approach to help me decide what to do about Miss M’s complaint.

Additions account

I’ve started by thinking about whether Miss M was aware the Additions account was optional and whether she was given a clear choice in taking out the account. I think it’s more likely than not that she was. I say this because she had previously had a fee-free bank account. So, I think that Miss M would’ve been aware that free accounts existed and was an option for her.

Miss M says that prior to upgrading to the Additions account, she was told that she would need the Additions account. Barclays does not have a record of this. I find it unlikely that the member of staff would've intentionally mis-led Miss M into upgrading her account online, as it would not benefit that member of staff to do so.

I accept that it is possible though that Miss M may have thought that she had to take out the Additions account, but there is not enough for me to say that it is more likely than not that it was Barclays who made her believe this. So I'm satisfied, albeit on balance, that Miss M was given a fair choice as to whether to take out this account.

This account was not recommended to Miss M as it was taken out online, without the presence of a Barclays member of staff. This means that Barclays did not need to ensure that the benefits were suitable for Miss M. But it did need to provide Miss M with enough information to decide this for herself.

Again, I think it's likely Barclays would've mentioned the major benefits that the account came with as it was, after all, trying to make the account seem attractive to Miss M.

I accept that Miss M may not have been told everything about all of the benefits that the account came with. But I can't see anything about her circumstances at the time that makes me think she would've been put off from agreeing to the account, had she been given more information about it.

I note Miss M's comments that at the time the account was taken out, that she could not use any of the benefits that the account came with. Looking at all the evidence though, there are indications that she could've used some of the benefits - such as transactions to Vodaphone and her registering a phone for internet banking suggesting a need for mobile phone insurance. I am satisfied, albeit on balance as I can't see all the online application screens, that Barclays did enough to do this, and it was down to Miss M to decide for herself as to whether she wanted the account and whether the package would be a good fit for her circumstances.

I should also add that I have looked at an archived copy of Barclays' website from 2006 and it does make it clear, prior to the application process, that standard current accounts were available. It also clearly set out what the Additions account cost and what benefits that it came with. So as this was made clear, it was ultimately up to Miss M to decide whether to apply for the account herself online.

So, having carefully considered everything, I don't think the Additions account was mis-sold to Miss M. I therefore think it would be unreasonable to require Barclays to refund Miss M the account fees that she has been charged whilst she held the Additions account.

I understand that this may be frustrating to Miss M, as she strongly feels that her Additions account was mis-sold. I also understand, that with the benefit of hindsight, the Additions account may not have represented good value for money. But I can't uphold her complaint due to this. I can only uphold the complaint about the sale of the account if it was sold incorrectly. And for the reasons set out above, I don't think it was.

Additions Active account

In this instance Barclays and Miss M have agreed that it should not have sold Miss M this account. Given this I think that Barclays should put Miss M back into the position that she would have been in had Miss M not upgraded her account again.

Putting things right

I uphold this complaint in part and require Barclays to do the following

- 1) Refund the difference between the Additions Active fees that Miss M paid and what account fees she would have paid, had she continued to hold the Additions account instead.
- 2) Pay simple interest at 8% per year on the above fees to be refunded, calculated from the date each account fee would have been paid, until the date of settlement (less any tax properly deductible).

My final decision

Because of the reasons given above, I uphold this complaint in part, and require Barclays UK Bank PLC to do what I have outlined above, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 2 November 2023.

Charlie Newton
Ombudsman