

The complaint

Miss B complains she was mis-sold a basic account when she visited a branch of Barclays Bank UK PLC to open a 'Rainy Day' savings account, and wasn't provided with this latter Account.

What happened

I sent the parties a provisional decision in March 2024, in which I set out the following background information to the complaint and my provisional findings, as follows:

Miss B wanted to open a Rainy Day savings account and visited a branch of Barclays. She explained Barclays told her she would need its 'Blue Rewards' and a current account to open the Rainy Day saving account. Blue Rewards is a paid-for add-on to current accounts giving access to certain Barclays products, which includes the Rainy Day savings account. As Miss B did not have a current account, she said Barclays agreed to open one for her and told her she would need to wait for the documents to arrive in the post before she could take steps to join Blue Rewards and open a Rainy Day account.

Miss B said she received the documents two weeks later and tried to join Blue Rewards but could not. She called Barclays customer service and after a 'long time' was told she couldn't join Blue Rewards because Barclays had only opened a basic account for her and not a current account.

Miss B said she explained she had agreed to open a current account when she visited the branch, the telephone adviser agreed to investigate and get back to her. She didn't hear anything from Barclays for two weeks, so she called them back and raised a complaint. Barclays called her back the next day and apologised for not calling her back, offered £30 compensation and to close the basic account. She said she explained she didn't want this as she thought it would affect her credit file and didn't resolve her complaint.

Miss B said the adviser at the branch did not tell her she was not eligible for a current account, and he was fully aware she wanted to open a Rainy Day savings account, which she could not do with a basic account. She claims Barclays mis-sold the basic account to her.

Miss B would like an explanation of why she is not eligible for the current account, and for the basic account to be removed from her credit file and compensation.

Our investigator asked Barclays to provide information about Miss B's visit to the branch. The adviser who Miss B met in the branch disagreed with Miss B's recollection of events, stating he explained to Miss B she was not eligible for a current account after her application was declined. The adviser commented Miss B 'did not want to listen' when he tried to explain how the process works. The adviser said, 'Being unable to explain I did what she asked for and opened the account,' the adviser confirmed he opened a basic account for her.

Barclays said it is unable to remove the credit search it undertook to open the account from the credit records. It has explained this type of check would always have to be made before

opening a current account and would have remained regardless of the product they could offer afterwards. Barclays have since offered £100 compensation for the time Miss B has spent on this complaint.

Our investigator highlighted the eligibility criteria for Blue Rewards and the Rainy Day savings account in their recommendation. They thought it was likely there had been a 'miscommunication' between Barclays and Miss B but considered Barclays had acted in line with its processes and thought Barclays had done enough in offering to pay £100 compensation.

Miss B disagreed. She said the adviser's recollection of events was not accurate and he was 'not telling the truth.' She said she made it clear what she went to the branch for, and he did not mention the basic account or tell her about her ineligibility for Blue Rewards, just that she would need to wait for the documents to come through before she could apply for Blue Rewards. She repeated she was concerned this had affected her credit score and she did not authorise a credit check for a basic account.

Miss B rejected our investigator's recommendations, and therefore this complaint has been passed to me to make a final decision

My provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I understand there are four elements to Miss B's complaint which I will deal with in turn. Firstly, Miss B wants to know the reasons why Barclays refused her a current account based on her eligibility.

Every bank has its own criteria for deciding whether to open accounts. Banks are able to refuse to open accounts and aren't obliged to explain the reasons for refusal.

A bank's decision not to open an account is generally a commercial decision that it is entitled to make provided it is fair and not discriminatory. I am satisfied, from the evidence I have seen and for the reasons above, there is no suggestion Barclays' decision was discriminatory and the basis for the decision was fair.

I can see Barclays choose not to provide information regarding eligibility and why someone is, or is not eligible for an account. Banks are allowed to keep their reasons confidential, so I am unable to require Barclays to provide this information to Miss B. However, I can see Barclays have referred Miss B to check her credit score in its correspondence.

For these reasons I do not think Barclays did anything wrong in not providing this information to Miss B, I do not uphold this part of the complaint.

Secondly, Miss B disagrees with the version of events provided by Barclays regarding her meeting with an adviser in the branch. To summarise, Miss B has said she believed the adviser had opened a current account for her whereas the adviser said they explained they could not do this and told Miss B, who then agreed to a basic account.

Where evidence is incomplete, inconclusive, or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

I appreciate the comments Miss B has made regarding the conversations she had in the

branch. She has been consistent about the reason for her visit and what happened. The adviser has provided his version of what happened. The adviser would appear to remember the meeting with Miss B and his account is different to Miss B's recollection.

The evidence I have considered supports Miss B's reason for visiting Barclays. It is clear she wished to open a Rainy Day savings account. Miss B needed a current account to open this account. Barclays checked Miss B's eligibility for this account, and decided she wasn't eligible. I can also see Miss B waited to receive the documentation about her new account before contacting Barclays to open a Blue Reward account. I do not think there is any dispute about this sequence of events.

Based on this evidence, and the two differing accounts, I am persuaded, on the balance of probabilities, it would have been unlikely and illogical for Miss B to knowingly agree to open a basic account when she visited the branch.

I appreciate the comments made by Barclays concerning Miss B 'not listening'. However, I consider this as evidence Miss B may not have understood and that Barclays should not have opened an account she did not want.

Our investigator explained they thought there was a miscommunication, which I agree with. But from the evidence I have seen, I am persuaded this miscommunication, on the balance of probabilities, was more likely to be by Barclays.

I therefore uphold this part of Miss B's complaint.

This leads me on to the third issue, Miss B would also like the credit check removed from her credit score. Barclays have explained this is a normal part of the process when applying for a current account. There is no dispute Miss B wanted a current account so she could add Blue Rewards to it, therefore a credit check would have to be carried out regardless of whether she was successful in her application for this account.

I therefore do not uphold this part of the complaint.

I appreciate Miss B is concerned that closing the basic account would also affect her credit score. I understand the account is still open and Barclays should take steps to contact Miss B and arrange the closure of this account with confirmation of the removal of any adverse additions to her credit file.

I understand Miss B wants compensation for her experience and the impact on her. Barclays have already offered £100 compensation for the inconvenience.

Taking everything above into consideration, I think the compensation offered is too low. My reasons above explain why I think Barclays have provided Miss B with a product she did not want, and compounded this by maintaining it had done nothing wrong.

Finally, we do expect banks to provide explanations of the full implications of products and whether they are correct for the customer's needs. Banks should not provide products when they know, or ought to know, they are not what the customer wants, needs or, as in this case, has asked for.

For these reasons, I currently think compensation should be increased to £250 for the inconvenience and distress this has caused Miss B.

My provisional decision and the parties' responses

I provisionally decided to partially uphold this complaint and thought Barclays Bank UK PLC should pay Miss B £250 compensation and remove any adverse additions to her credit file regarding the closure of her basic account.

In response to the provisional decision, Barclays said it had nothing further to provide and agreed to pay the £250 compensation recommended.

In response, Miss B said *'she had no issue with a credit check for the account I wanted/requested. However not for an account that I did not request nor consent to.'* I can understand why Miss B is unhappy having had a credit check and being told she was unsuccessful for the account she wanted. However, this, in itself, does not mean Barclays should remove the credit check. Credit checks are a normal part of applying for certain banking products. I am satisfied Miss B consented to a credit check for the current account she wanted and unfortunately, this check resulted in her being unsuccessful for the account.

I am satisfied she asked for and agreed to a credit check for the purposes of opening a current account. I think it is fair and reasonable that Barclays do not have to remove this from her records because she was unsuccessful in her application for a current account.

Miss B also said in her response she was satisfied with my recommendation to remove adverse additions to her credit file relating to the closure of her basic account.

Having reconsidered the issues in this complaint, I remain of the view that my provisional decision was the fair and reasonable response to what happened to Miss B.

My final decision

For the reasons I have given it is my final decision that the complaint is partially upheld. I require Barclays Bank UK PLC to pay Miss B £250 compensation, if it hasn't already done so, and remove any adverse additions to her credit file in relation to closing her Basic Account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 28 May 2024.

Gareth Jones
Ombudsman