

The complaint

Miss O has complained that Barclays Bank UK PLC (“Barclays”) has failed to cancel her Avios Rewards package since December 2022.

What happened

Miss O chose to add an Avios Rewards package to her Premier account in November 2022. In December 2022, Miss O asked to cancel the Avios Rewards package, as she wanted to take out a Blue Rewards package instead.

However, despite Miss O wanting to cancel the package, Barclays has been unable to do so due to a technical issue.

Miss O has raised various complaints with Barclays since December 2022 and Barclays has made a number of refunds of the £12 monthly fee, and has also paid compensation for being unable to remove the package from her account.

After Miss O referred her complaint to this service, Barclays confirmed it had already paid a total of £432 to Miss O to refund the fees she’d been charged (even though she’d only been charged a total of £336 in fees up to then). Barclays also said it had already paid Miss O a total of £275 in compensation as well for this matter.

As the issue was still unresolved, Barclays initially said that it would be prepared to pay Miss O £72 – to represent another six months’ worth of package fees. Barclays then increased the amount of package fees it is willing to cover up until November 2025 – so eight months’ worth of account fees. Barclays also offered to pay Miss O a further £100 compensation as well, to reflect the additional distress and inconvenience caused to her by this matter.

One of our investigators assessed the complaint and overall, they thought what Barclays offered was fair. As Miss O disagreed with the conclusions reached by the investigator, the matter was referred for an ombudsman’s decision.

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.

Having reviewed everything, I uphold this complaint for broadly the same reasons that the investigator gave. I will explain why.

It’s not in dispute that Barclays has made an error here. Miss O wanted to cancel the Avios Rewards package in December 2022, and despite that, she’s still being charged for the package on a monthly basis – even at the time of writing this decision. So all that is left for me to decide here is whether what Barclays has already paid, and is willing to pay Miss O, to put matters right is fair and reasonable, or whether it needs to do more.

In terms of the financial loss that Miss O has incurred, Barclays has said that Miss O’s current account has since been downgraded from being a Premier account. And the Avios

Reward package can only be applied to a Premier account. So Barclays says that, although it had difficulties removing the package for Miss O whilst her account remained as a Premier account, it has now confirmed that, because Miss O is no longer eligible, the Avios Reward package will be automatically removed in November 2025.

So, based on Miss O paying the Avios Reward fees from December 2022 (when she says she asked to cancel it) until November 2025 (when Barclays says it will auto-cancel), this means that Miss O will have paid a total of £432 in Avios Rewards fees unnecessarily. So the starting point here in putting things right is that Barclays should pay this back to Miss O.

Looking at the amounts that Barclays has already paid back to Miss O, it has already paid her £432. And it is now willing to pay Miss O a further £96 (eight months' worth) of further fees. This means that, with the increased offer Barclays made since Miss O contacted this service, Barclays will have paid Miss O a total of £528 in Avios Reward fees – which is £96 more than Miss O will have paid in fees, by November 2025.

So based on the above, I think that Barclays' offer is fair, as it more than compensates Miss O for the financial loss she has suffered, and the potential loss she may incur, up until the Avios Reward package is due to be removed from her account.

In addition to putting right the financial loss that Miss O has incurred (or will likely incur), it's clear that this matter has been going on for a considerable period of time. In that time, I can see that Miss O has raised this matter with Barclays a number of times. And I have to say, I'm surprised that Barclays has still been unable to rectify what appears to be a straightforward matter - such as cancelling a bolt-on package on a current account - for around two and a half years.

Barclays has already paid Miss O £275 for the distress and inconvenience this matter has caused her. Since Miss O contacted this service, Barclays has agreed to pay a further £100 – bringing the total amount of compensation to £375. Having reviewed the number of times that Miss O has had to raise this matter with Barclays and the timescales involved, overall I think this is a fair amount. In my view, this fairly represents the inconvenience and frustration Miss O will clearly have been caused in having to repeatedly ask Barclays to rectify this matter.

Miss O says that, because the Avios Rewards package remained on her account, this meant she missed out on earning a better interest rate with a Blue Rewards savings account. However, I can see that Miss O was still able to take out a Rainy Day savings account (which offered an increased amount of interest compared to the Blue Rewards exclusive savings account) as a result of having the Premier account. This was available alongside all of the other savings accounts that were available to all Barclays customers.

So, apart from being deprived the opportunity of opening a Blue Rewards Savings account - which based on Barclays' website at the time of writing, offered lower interest rates than the Rainy Day account - I can't reasonably say that Miss O did miss out on accessing a better interest rate on her savings, due to the Avios Rewards package remaining on her account.

Miss O has also said she is concerned that the Avios Reward fee debiting her account may've affected her credit score. Barclays has provided evidence that the fees debiting the account made her account go overdrawn once, but only by a few pounds. However, Barclays has also provided evidence to show that Miss O had a £400 arranged overdraft limit on her account. So, given that Miss O's account entered an arranged overdraft by such a small amount for a short period of time, I think any impact on Miss O's credit file from this would've been minimal, if it had any impact at all.

As such, when taking everything into account, whilst it's clear that things have not gone as they should've for Miss O's Avios Rewards package, and the matter really should've been resolved long ago, at the same time, I think that Barclays has taken reasonable steps to try and put things right for Miss O, as best it can in the circumstances. And I think what Barclays has offered, since Miss O contacted this service, to put things right is fair and reasonable. So I don't think it needs to do more than it has already agreed to do. Although if Barclays does find a way to remove the Avios Rewards package from Miss O's account before November 2025, it should do so.

Putting things right

To put things right for Miss O, I require Barclays to:

- Pay Miss O eight months' worth of Avios Reward fees;
- Pay Miss O £100 compensation for the added distress and inconvenience this matter has caused her; and
- Remove the Avios Reward package from Miss O's account as soon as possible, but in any event, no later than November 2025.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 15 July 2025.

Thomas White
Ombudsman