Financial Ombudsman Service

complaint

Mrs K has complained that Barclays Bank Plc ("Barclays") mis-sold her Additions and First Additions packaged bank accounts sometime before January 1997 and in 2004.

background

One of our adjudicators has looked into Mrs K's complaint already. He didn't think that Barclays mis-sold the packaged accounts. Mrs K didn't accept this and asked for an ombudsman to look at her complaint and make a final decision.

my findings

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 Mrs K's complaint.

I've carefully thought about everything I've seen on this complaint. But having done so, I don't think Mrs K's complaint should be upheld. I'd like to explain why.

I've started by thinking about whether Mrs K was given a clear choice in taking the packaged accounts. At this point, it may help for me to explain that I have to make my decision based on what I think is most likely to have happened. And in working out what I think is most likely to have happened, I have to think about everything I've been told together with everything else I've been provided with and see how this fits with what I do know. In other words, what I have to do, in this case, is decide what I think is most likely to have happened having weighed up what Mrs K and Barclays have been able to provide me with.

Barclays can't say when Mrs K upgraded to the Additions account. Its records only go back to the beginning of 1998 and they show that Mrs K already had an Additions account at that stage. But the Additions account was only introduced in May 1996 and Mrs K already had an account with Barclays well before then. So it looks like Mrs K upgraded to the Additions account from a fee free one that she'd had for a period of time and given Mrs K's age during the likely time period when the upgrade took place, I think it's unlikely that the Additions account was her first adult account.

So having weighed up what Mrs K's told us against everything else I've been told, I've not seen enough here to be able to safely say that Mrs K was told her existing account was no longer available or that she had to pay a fee to have an account with Barclays. And I think it's likely that, at the time, Mrs K would've known that she could've kept her fee free account if that's what she really wanted to do. Having thought about everything I've seen, I think it's likely that Mrs K was given a clear choice on upgrading. And I think it's most likely that she chose to upgrade to the packaged accounts on both occasions as she, at the time, thought the benefits included might prove useful to have.

As I've found that Mrs K most likely agreed to the packages, the crucial question I now need to think about is whether she could've used the benefits – not whether she made successful claims on the insurance policies. I should start by saying I think it's likely that Mrs K would've been told about most, if not all, of the benefits on the packages in order to make them appear as attractive as possible. After all Barclays was trying to persuade her to have them when she most likely knew she didn't have to. And the best way to do this would've been by telling her about what she'd get for the monthly fee.

At the time Mrs K upgraded to the Additions account the main benefits on the package were the preferential overdraft terms – Additions account holders didn't have to pay the £5 a month overdraft usage fee - and card protection. Mrs K registered cards for the card protection policy on more than one occasion. So I think it's fair to say that this cover was something that she may have been interested in. And having looked at Mrs K's account ledgers, I can see that she has used the preferential overdraft terms too. So everything I've seen suggests that Mrs K was eligible for and did use some of the benefits on this account.

When Mrs K took out the First Additions account this meant that she could have the benefits that she was using on the Additions account but for a cheaper monthly fee. I don't know if the account was recommended to Mrs K. But even if it was, any possible recommendation wouldn't have been unfair as it allowed Mrs K to have the benefits she most wanted and needed – card protection and preferential overdraft terms – for the cheapest fee possible. As this is the case, Mrs K perhaps not wanting or needing the mobile phone insurance doesn't mean Barclays acted unfairly. I appreciate Mrs K believes that her health problems would've prevented her using some of the benefits. But the accounts taken out didn't include benefits that relied on Mrs K being in relatively good health – such as travel insurance.

Mrs K may now, with the benefit of hindsight, believe that she hasn't benefitted from the accounts as much she had hoped and expected to when she initially took them out – especially as she doesn't appear to have made an insurance claim on any of the policies. And given what she might've read and heard about packaged accounts in general, I can fully understand why this might lead Mrs K to believe that her accounts were mis-sold. But as explained earlier, I have to base my decision on what I think is most likely to have happened at the time of the upgrades and I can't use hindsight when reaching my conclusion.

I think it's likely that Mrs K chose to upgrade having been told what the accounts came with. So although Mrs K may now think they haven't proved to be value for money and she may be wondering why she took them in the first place – especially as the first of them took place as much as twenty years ago, this doesn't mean that Barclays acted unfairly.

I want to reassure Mrs K that I've looked at all the information provided about her complaint. And I've thought about everything she's said. But having done so, and while I appreciate that this will be very disappointing for her, I don't think that Barclays mis-sold the packaged accounts to her. So I don't think it owes Mrs K any money.

my final decision

For the reasons I've explained, I don't uphold Mrs K's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs K to accept or reject my decision before 18 February 2016.

Jeshen Narayanan
ombudsman