

complaint

Mr and Mrs K complain that Barclays Bank Plc mis-sold them an Additions packaged bank account in 2000. They are represented in this matter by a claims management company (CMC).

background

Mr and Mrs K complained to Barclays through their CMC that it had mis-sold the Additions account. Barclays didn't agree that it had done anything wrong. So Mr and Mrs K brought their complaint to this Service.

One of our adjudicators has already looked into Mr and Mrs K's complaint and recommended that it shouldn't be upheld. They don't agree with her assessment and so have asked – as they are perfectly entitled to – for an ombudsman to consider their complaint afresh.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I don't uphold Mr and Mrs K's complaint for reasons I will outline below.

At the outset I want to say that I don't doubt Mr and Mrs K have provided their honest recollections. But I'm mindful that memories can and do fade over time. And I've listened to the recording of the call one of our adjudicators had with Mr K to help me understand why he didn't agree with the assessment. In that call Mr K acknowledged that events were a long time ago. Where the evidence is unclear or there are conflicts between what the parties tell us, I make my decision based on the balance of probabilities. In other words I look at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to have happened.

Mr and Mrs K's main complaint is that they feel they weren't given a fair choice by Barclays. They say that they were told that in order to increase their overdraft they had to take the Additions account. In their complaint form, Mr and Mrs K say that they were refused an overdraft facility of more than £100 unless they took the packaged account. In his call with our adjudicator Mr K said that his recollection was that they had been exceeding their overdraft and the bank had written to them to invite them in to discuss their account. He says that they wanted to extend their overdraft to the equivalent of a month's wages. I don't find these inconsistencies at all surprising given the length of time which has since passed.

Barclays has provided Mr and Mrs K's statements as far back as 1997. Mr K is right when he recalls that they had used their overdraft quite a bit over the years. I can see that whilst they still had their free account they were often using their overdraft. I can also see that they were charged the monthly overdraft usage fee of £5.

Around the time of the upgrade Barclays charged customers – with a free account - a monthly overdraft usage fee if they used an overdraft for more than three days. And it charged interest on the overdrawn balances. Consumers with an Additions account didn't need to pay the overdraft usage fee and they weren't charged any interest on the first £100 of their overdraft. The cost of the account was £6. As Barclays was trying to sell the packaged account I think it's likely that this benefit would've been discussed and it's possible that this is why Mr and Mrs K initially recalled a figure of £100 being discussed.

But I don't think it's likely that Mr and Mrs K were told that they could only increase their overdraft if they took the packaged account. I think they were probably informed about the preferential overdraft benefit provided by the Additions account. In effect the Additions account cost only £1 per month more than Mr and Mrs K were paying for the overdraft usage fee and it meant that the first £100 of the overdraft was interest free. The Additions account also provided a number of other benefits in 2000. These included £10,000 accidental death cover, extended warranties for domestic appliances and cardholder protection. So I think that someone using their account as Mr and Mrs K were doing is likely to have thought the account was attractive.

Taking everything together I'm not persuaded that Barclays failed to give Mr and Mrs K a fair choice. I think they opted to upgrade because overall the account provided them with some benefits which they are likely to have considered to be good value. And from what I've seen I don't think Barclays recommended the Additions account to Mr and Mrs K so it didn't have to check that the benefits were suitable for them. But whether or not it recommended the account to Mr and Mrs K, it still had to provide them with enough clear information so they could decide for themselves whether it was what they wanted.

I outline above what the main benefits of the Additions account were. Mr and Mrs K mentioned that they recall the benefits being discussed and thought that mobile phone insurance and car breakdown cover were included. But those weren't benefits at that time – they were added a few years later – so it's unlikely they'd have been mentioned.

And although it seems Barclays told Mr and Mrs K what the main benefits were, I'm open to the possibility that it may not have given them all the details. But they seem to have been able to go on and save money because of the preferential overdraft – which I think was the main attraction. And there doesn't seem to have been anything about their circumstances which would've meant they couldn't have relied on the other benefits. So I don't think better information would have made a difference to their decision.

I'm sorry that this won't be the outcome Mr and Mrs K were hoping for. But having considered everything I'm not persuaded to uphold their complaint.

my final decision

For the reasons outlined above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs K to accept or reject my decision before 29 March 2016.

EJ Forbes
ombudsman