

complaint

Mr W has complained that he was mis-sold a packaged bank account by Barclays Bank Plc ("Barclays").

background

The background to this complaint was set out in my provisional decision in August 2015. A copy of this is attached and forms part of this final decision, so I will not repeat this information here.

In my provisional decision I also set out why I was minded not to uphold Mr W's complaint. I invited both parties to let me have any further comments and evidence.

Both Barclays and Mr W have indicated that they do not wish to provide any further submissions.

my findings

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

As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision.

my final decision

For the reasons set out in my provisional decision, I do not uphold this complaint or make any award against Barclays Bank Plc.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 2 November 2015.

Rachel Ellis
ombudsman

COPY OF PROVISIONAL DECISION

complaint

Mr W has complained that he was mis-sold a packaged bank account by Barclays Bank Plc ("Barclays").

background

Mr W upgraded his fee-free account with Barclays to an Additions account in July 1998.

Mr W says that he was told the new Additions account was better as it had additional benefits. He complains that he wasn't aware that there was a fee for this account. Mr W says that he wasn't given information on how to use the benefits. He also says that he had duplicate car breakdown cover.

The adjudicator upheld this case. Although she didn't find the account was mis-sold, she thought had Mr W had upgraded solely because the monthly fee for the Additions account was the same as he was being charged for his overdraft. As Barclays couldn't show that it had informed Mr W of the fees increases, the adjudicator recommended that Barclays refund the difference in fees from when the fee increased to over £5 a month.

Barclays disagrees with this so the case has come 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. Where there is limited evidence from the time of sale – as is the case here – I need to decide what I think is most likely to have happened.

I'm currently minded not to uphold Mr W's complaint for the reasons set out below

Mr W says that there was no mention of fees when he upgraded his account. He has said to Barclays that he wasn't told his free account was no longer available, he was just told that this new account was better. He says that he was aware that the account was upgraded and aware of the benefits but just not the fee.

One of the benefits of the Additions account was an interest free overdraft of up to £250, which Mr W wouldn't have got if he had stayed with the free account. I can see that Mr W was using his overdraft around the time he upgraded and he was paying an overdraft usage fee of £5 every month in addition to overdraft interest with his free account. The cost of the Additions account was also £5 every month and Mr W would also have got additional benefits offered by the account. I have also seen a letter sent to Mr W in April 1998 informing him that he regularly uses his overdraft facility and therefore incurs the £5 a month usage charge. The letter goes on to inform him that the new Additions account would be the same price and would mean he could take advantage of many additional free services. Mr W upgraded his account around three months later.

From what Mr W says, he appears to have been made aware of the account benefits at the time of the sale and I think it's unlikely that he thought he wasn't going to be charged for these. And I also think he is likely to have noticed the monthly fees on his statements after he moved to an account with a fee. I have looked at Mr W's statements from around the time of sale and I can see that they show that he was being charged an "overdraft fee" before he upgraded and an "account fee" afterwards.

Having carefully considered the evidence I think it's most likely that Mr W knew he had the option of keeping his fee-free account or upgrading to the Additions account. I think the overdraft benefit is likely to have been one of the things that attracted him to the account and why he agreed to pay a monthly fee for it, although he may have forgotten about this later, which is understandable due to the passage of time. And I think Mr W is likely to have been given a fair choice whether to upgrade the account.

Having considered the evidence, I don't think Barclays assessed Mr W's circumstances in any detail or gave him a personalised recommendation to take the Additions account. So it seems to me that the sale was conducted on a non-advised basis. This means Barclays didn't have to assess the suitability of the account for Mr W. But it still had to provide clear enough information about the account so that Mr W could decide for himself whether he wanted it.

Packaged bank accounts are rarely tailored to the individual so it's unlikely that every customer will find every benefit useful. It was for Mr W to decide whether the benefits, as a package, were attractive to him for the cost. Mr W has indicated that he was made aware of the main benefits of the account when he took it out and that they were of interest to him at the time. The fact that Mr W didn't make full use of these benefits doesn't mean the account was mis-sold. And I've seen nothing to suggest he couldn't potentially have benefited from the account as a whole.

Mr W says that he didn't need car breakdown cover as he already had this. However, this wasn't a benefit of the Additions account at the time Mr W upgraded, it was added some years later. So I don't think this would have affected his decision whether to take out the account at the time of sale. And it was for Mr W to monitor whether the packaged account continued to be a good product for him over time and decide whether to cancel any existing cover – not Barclays.

I accept it's possible that Barclays didn't give Mr W all of the information about the account that it should have. But I don't think there is anything about the account which he wasn't told which would have put him off taking it if he'd known about it. And I don't think Mr W has lost out because of anything Barclays might have done wrong.

Our adjudicator found that Mr W only upgraded his account because it was the same cost as the monthly overdraft fees he was being charged. But I disagree with this. Mr W hasn't said himself that this was the only reason he took out the account and he has also referred to being told about all of the benefits. So I don't think the fact that the monthly cost of the Additions account increased to more than the monthly overdraft fee would have meant he was no longer interested in the account as a package.

Mr W also hasn't specifically complained about the fees rising. Although Barclays hasn't been able to provide copies of the specific letters sent to Mr W about the fees rising, it has provided template letters informing its customers that the account fee was rising and it says these letters would have been sent to Mr W. The fee was increased six times during the period that Mr W had his Additions account and I have seen the letters provided by Barclays informing its customers of each increase. I think it is unlikely that Mr W didn't receive any of these letters or notice that the fees had gone up on his statements. I think that Mr W is likely to have known that he could have returned to a fee-free account and it was for him to downgrade if he could no longer considered the benefits to be worth the cost for him.

my provisional decision

For the reasons given above, I don't intend to uphold the complaint or make any award against Barclays Bank Plc.

Rachel Ellis
ombudsman