

complaint

Miss C has complained that Barclays Bank plc ("Barclays") mis-sold her an Additions Active packaged bank account in 2009.

background

Miss C also complained about the sale of an Additions account that took place sometime before January 1998. One of our adjudicators looked into the sale of both of Miss C's packaged accounts. And having done so, she didn't think that the Additions account was mis-sold and Miss C appears to have accepted this. But the adjudicator also thought that the Additions Active account was mis-sold to Miss C.

Rather disappointingly and despite having been chased for a response on more than one occasion, Barclays didn't respond to our adjudicator's view that it mis-sold the Additions Active account. So the case has been passed to me to look at this sale and make a final decision. As Miss C appears to have accepted our adjudicator's view on the Additions account, it seems to me the only matter that remains in dispute is the sale of the Additions Active account. So my decision is only looking at the sale of the Additions Active account that took place in 2009.

my findings

I've considered all the available evidence and arguments and I've decided what I think is 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 Miss C's complaint.

Having carefully thought about everything I've been provided with, I think that Miss C's complaint should be upheld. And I'd like to explain why.

Barclays has said that it recommended the Additions Active account to Miss C. This means that it had to assess her circumstances and ensure the selected account was a reasonable fit for them *before* recommending it to her. Although Barclays has said this upgrade was sold over the phone, it hasn't provided me with a recording of the call (this isn't unexpected given how long ago the sale took place), or any scripts that its advisors might have used, or even some form of sales process document.

So I don't know how far it enquired into Miss C's circumstances before it made its recommendation. And having thought about the particular circumstances of this case, I think that there may have been some shortcomings in Barclays' assessment of Miss C's circumstances which resulted in an unfair and inappropriate recommendation being made to her.

I say this because the core benefit on the Additions Active account which set it apart from the cheaper ones in Barclays' range was annual worldwide travel insurance – indeed this was the main difference between this account and the Additions account that Miss C already had. So it seems to me that, in this case, the recommendation of the Additions Active account would only have been fair and appropriate if the advisor had established a clear and identifiable need for annual worldwide travel insurance.

Miss C has told us that she already had travel insurance elsewhere. And Barclays hasn't

appeared to challenge this. Indeed in its submissions to us it said that Miss C may have had similar cover elsewhere but as the Additions Active account wasn't a tailored package there may have been aspects that she wouldn't benefit from.

But I think Barclays is overlooking the fact that this was a recommended sale. And I don't find its argument particularly helpful or persuasive. Ultimately as Miss C would end up paying extra for an account where the only real additional benefit was travel insurance, it was up to Barclays to establish a demand and need for this cover before recommending the Additions Active account. And I haven't seen enough to say that Barclays did this here or that Miss C wanted or needed the core additional benefit that came on the Additions Active package.

So as Barclays hasn't provided me with enough to show me that Miss C had a need for an annual worldwide travel insurance policy, I don't think that the recommendation of the Additions Active account was a reasonable fit for Miss C's particular circumstances. And I think that Barclays made an unfair and inappropriate recommendation to Miss C. So Barclays should put things right.

what Barclays should do to put things right

To put matters right, Barclays should put Miss C back into the position she would've been in, if it hadn't made an unfair recommendation to her in 2009. I think that Miss C would've stayed on the Additions account if Barclays hadn't made an unfair recommendation to her. So Barclays should:

- refund and pay to Miss C the difference between fees she paid for the Additions Active account and the fees she would've paid if she'd remained on the Additions account; and
- add interest at 8% per year simple on each of the above fees from the date she paid it to the date of settlement[†];

If Barclays is able to work out any *additional* savings Miss C has made from holding the account **and** it can show these calculations to her, it may, if it wants, deduct this additional saving from any compensation that is paid.

[†]HM Revenue & Customs requires Barclays to take off tax from this interest. Barclays must give Miss C a certificate showing how much tax it's taken off if she asks for one.

my decision

For the reasons given above, I uphold Miss C's complaint. Barclays Bank plc should pay Miss C redress as set out above.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss C to accept or reject my decision before 15 February 2016.

Jeshen Narayanan
ombudsman