

complaint

Mrs W complains that Barclays Bank Plc (Barclays) mis-sold the Additions and Additions Active packaged accounts to her. She paid a monthly fee for the accounts which offered several benefits in return.

background

One of our adjudicators has looked into Mrs W's complaint already. The adjudicator didn't think Barclays had mis-sold the packaged accounts to her. Mrs W didn't accept this and asked for an ombudsman to look at the 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 have explained how we handle complaints about packaged bank accounts on our website. I have used this approach to decide what to do about Mrs W's complaint. I know that this will come as a disappointment to Mrs W but I don't think that Barclays mis-sold the accounts to her and I will explain why.

Additions account

Mrs W has said that in 2004 Barclays wrote to her asking her to contact the bank. She says at this time she had a large overdraft from being a student. She says she phoned Barclays and was told the accounts were changing and she couldn't have the overdraft in same way. She says she was told to either; pay off her overdraft, take a loan or she needed to transfer to new account with extra benefits (a packaged account).

Our adjudicator explained that Mrs W had a free account before upgrading to the Additions account but I think it would be more helpful to explain Mrs W's full account history with Barclays. So, Mrs W:

- opened an account with Barclays in 1995;
- held a student graduate account (later called a higher education account) between 2000 and 2002;
- changed to a free Barclays bank account with an overdraft, between 2002 and 2004;
- upgraded to the Additions packaged account in 2004;
- upgraded to the Additions Active packaged account in 2009; and
- downgraded to a free Barclays bank account with an overdraft in 2015.

Although Mrs W recalls having a student account before the upgrade to the Additions account, I can see from her statements that she held a free bank account with an overdraft for two years before the upgrade. I appreciate that Mrs W may not recall this as it was so long ago. But I'm satisfied that Mrs W didn't move straight from the student account to the packaged account. And what this does show me is that Mrs W knew she didn't have to pay for an account with an overdraft if she didn't want to.

Mrs W says that she was told she couldn't keep her account and she had to pay off her overdraft or take the packaged account. But Mrs W hasn't said that there was any change in her circumstances at the time and I can't see anything from her statements that would indicate this either. Overdrafts are repayable on demand but I haven't seen any evidence that would suggest Mrs W was asked to repay her overdraft in full at around the time of this upgrade. Mrs W was however paying interest and fees to use her overdraft on the free account. The Additions account offered a £250 interest free overdraft with preferential rates for amounts over that. So I think it's more likely that Mrs W discussed this element of the packaged account and thought that was something that might be useful to her. And I'm not persuaded that Mrs W did believe she had no choice other than to change her account in order to maintain her overdraft.

Mrs W says she spoke to Barclays over the phone and she was given a recommendation to take this account. From the evidence I have seen, I can't be sure whether Mrs W received any personalised or tailored advice about taking this account. So I have looked at the complaint as if Mrs W was given advice. In practice this means that Barclays had to make a fair recommendation by making sure that the account was a reasonable fit for Mrs W's circumstances as a whole.

Barclays sold these accounts as packages for a set price and even if not all of the benefits were needed by Mrs W, I am satisfied that there wasn't anything about the package as a whole which made it inappropriate for Mrs W. I say this because I've not seen any evidence that Mrs W would not have been able to take advantage of the main benefits that the account offered. And, as I will outline below, I'm satisfied that Mrs W had an interest in and need for these.

Mrs W said that the benefits were explained over the phone but she didn't need them. At around the time Mrs W upgraded to the Additions account, as well as the overdraft benefits it offered car breakdown cover. Mrs W has told us that she had a car at the time. The Additions account was the cheapest packaged account that included car breakdown cover and I haven't seen any reason why Mrs W couldn't have relied on the cover if she'd wanted to. If she chose not to rely on the cover because she had separate cover, that would have been her decision and I don't think Barclays can be held responsible for that.

As I've said, Mrs W was also using her overdraft and the Additions account offered overdraft savings. Although Mrs W says she wasn't aware she was receiving a better rate, in any event, she has made some savings by having the packaged account. So overall I don't think this was an inappropriate recommendation by Barclays for Mrs W to upgrade to the Additions account.

Barclays also had to provide clear enough information so that Mrs W could make an informed decision about whether or not to upgrade to the Additions account. I don't know what was discussed when Mrs W upgraded her account but I think the main benefits would have been discussed as this would have made the account seem more attractive. It's possible Barclays didn't tell Mrs W everything it should have about the packaged account. But I haven't seen anything to make me think that Mrs W would not still have taken the Additions account even if Barclays had told her everything.

Additions Active account

Mrs W's account was upgraded from the Additions to the Additions Active account in 2009. Mrs W says she didn't know her account had been upgraded she just thought the account had been rebranded. Barclays doesn't have any records to suggest that Mrs W's account was automatically upgraded and it tells us that it recommended this account to Mrs W over the phone. So although I can appreciate that Mrs W may not remember the upgrade as it was over seven years ago, I think it's more likely that the upgrade took place with her consent and knowledge. I also think that because Mrs W knew she could have a free account and other accounts with Barclays, she was given a fair choice when deciding to upgrade.

At the time of upgrading to the Additions Active account it only cost £1 more a month than the Additions account. The Additions Active account came with; worldwide family travel insurance, car breakdown cover, mobile phone insurance and up to a £300 interest free overdraft, with a preferential rate on amounts over this. Mrs W tells us that she travelled (although not every year) and had a mobile phone and we also know from the previous information that she had a car. So I think there was a need for several of the benefits that came with this account. Again I haven't seen anything to suggest Mrs W couldn't have used the majority of these benefits if she had wanted to so I don't think it was an inappropriate recommendation by Barclays for Mrs W to upgrade to the Additions Active account.

I don't know if all the information about the account was given to Mrs W but I haven't seen anything to suggest that better information would've resulted in Mrs W not taking the account.

Mrs W says although she registered for travel insurance she didn't travel every year. And she also tells us that her husband had pre-existing medical conditions and she wasn't asked about this. At around the time Mrs W took the Additions Active account the travel insurance terms said that any medical conditions needed to be declared to the insurer. Barclays tells us that Mrs W called the insurer for a medical assessment in 2011. Suggesting Mrs W knew how to declare medical conditions and this would've been the same for anyone else who was relying on the policy. I know Mrs W is concerned that her husband wasn't covered by the travel insurance but he was covered for everything other than conditions he had, if they weren't declared. And I can't see they lost out on being able to make a successful claim on the policy because Mrs W didn't notify the insurer of her husband's conditions either.

Barclays tells us that Mrs W registered two phones under the mobile phone insurance with this account. Mrs W says that she only did this because it was available. But packaged accounts are sold as a pot of benefits and not every consumer will find every benefit useful. I appreciate Mrs W didn't register any phones for a couple of years so it may not have been something that she was initially interested in when taking the account. But I think the later registrations are an indication that she did find the cover useful and had, at that point, decided to rely on it.

I appreciate that Mrs W may feel that she didn't get the most out of her packaged accounts or use every benefit and this would be frustrating bearing in mind the cost of the accounts. But this doesn't lead me to conclude that the accounts were mis-sold to her.

my final decision

For the reasons I've given I don't uphold Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 2 December 2016.

Sophia Smith
ombudsman