

## **complaint**

Mr T has complained that Barclays Bank plc (“Barclays”) mis-sold him an Additions Active packaged bank account in 2008.

## **background**

My provisional decision of 15 December 2015, which is attached and forms part of this decision, explained why I thought Mr T’s complaint should be upheld. I gave both parties until 15 January 2016 to provide any final comments.

Barclays emailed to say it accepted my decision and wanted to settle the complaint. And Mr T confirmed that he accepted my decision too.

## **my findings**

I have reconsidered 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 Mr T’s complaint.

I’m pleased to see that Barclays has accepted my provisional decision and has agreed to pay redress to Mr T. And as both parties have agreed with the findings in my provisional decision I see no reason to alter my conclusions.

## **my final decision**

For the reasons set out above and in my provisional decision of 15 December 2015, I uphold Mr T’s complaint.

Barclays Bank plc should pay Mr T compensation in line with the instructions set out in my provisional decision of 15 December 2015.

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

Jeshen Narayanan  
**ombudsman**

## **COPY OF PROVISIONAL DECISION**

### **complaint**

Mr T has complained that Barclays Bank plc ("Barclays") mis-sold him an Additions Active packaged bank account in 2008.

### **background**

Mr T also initially complained that Barclays mis-sold him a First Additions packaged bank account in 2007. But Barclays accepted that it shouldn't have sold him that account and refunded the fees Mr T paid for it plus interest. So this decision is only looking at the sale of the Additions Active account.

One of our adjudicators has looked into Mr T's complaint already. And she didn't think that the packaged account was mis-sold. But she did think that Barclays hadn't provided Mr T with enough information on what the account included and that this led to him unnecessarily buying cover elsewhere. So our adjudicator thought that Barclays should pay Mr T what he paid to get alternative cover. Barclays didn't accept this and asked for an ombudsman to look at the complaint and make a final decision.

### **my provisional findings**

I've considered all the available evidence and arguments and I've provisionally 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 provisionally decide Mr T's complaint.

I've carefully thought about everything I've seen on this complaint. Having done so, I intend to uphold Mr T's complaint. I'd like to explain why.

Barclays has said that the sale of the account took place in a Barclays branch and that this means the account wouldn't have been recommended as its usual branch sales process didn't involve providing recommendations to consumers. Mr T hasn't told us much about the sale. In these circumstances, I haven't seen enough to be able to say that Barclays recommended the account to Mr T.

So Barclays didn't have to check if all of the benefits were suitable for Mr T. And it was up to Mr T to decide whether the account was right for him taking into account what the package included. But Barclays did have to give him clear enough information on things such as the key benefits included and the monthly cost, so that he could do this. And I don't think that Barclays did that here.

I don't know what Mr T was told at the time or what information he was provided with. But it's interesting to note that Barclays' defence appears to be based on an account upgrade form that was signed by Mr T and a 'Welcome Pack'. And having looked at the upgrade form, while it does confirm that Mr T is agreeing to upgrade to the Additions Active account, there's no indication of what benefits are included on the account. Indeed the form seems to confirm that Mr T will receive details on the account in the Welcome Pack that will be sent in the post. And there's no indication that Mr T would've seen the Welcome Pack at the time he was sold the account. So it's disappointing to see that Barclays thinks it can correct not

providing a consumer with enough information, at the time of sale, by sending them a Welcome Pack in the post.

In any event, at the time Mr T upgraded, the core insurance benefit included on the Additions Active account, which set it out from similar packaged accounts in Barclays' range, was travel insurance. And it seems to me that clear enough information would've highlighted this. This way a consumer would've been able to decide if their future travel plans justified the need for annual worldwide travel insurance and whether it was worth paying the fee for an account where this was the core benefit.

From what I've seen Mr T travelled a few weeks after the upgrade to the Additions Active account. But it looks like he bought a separate standalone travel insurance policy a few days after the upgrade took place. I can't see why Mr T would've bought a standalone travel insurance policy to go on holiday a few days after upgrading, if he'd been told that his Additions Active account included worldwide travel insurance that would've covered him for his trip. So I can only reasonably conclude that something must've have gone drastically wrong at the sale.

From what Mr T's told us, it looks like he had no other plans to travel after the trip he bought separate cover for either. And having checked his account ledgers, I can't see anything to suggest that he did go on holiday outside of the United Kingdom during the rest of the time that he held the Additions Active account. So on balance and having carefully thought about everything I've seen on this case, I think it's most likely that Mr T wasn't told that the Additions Active account included an annual worldwide travel insurance policy. Indeed this is supported by the fact that Mr T doesn't have appeared to have registered for any of the benefits that required active registration either.

So I don't think that Mr T was provided with clear enough information to know that the Additions Active account would only really be the right account for him if he intended to travel regularly. I accept that Mr T used the breakdown cover and I suspect that this is something that he wanted and needed. But I think if he had been given clear enough information on the range of accounts that Barclays did, he wouldn't have agreed to upgrade to the Additions Active account, bearing in mind its cost, even if he might've found some of the other benefits on the account useful.

Having carefully thought about everything provided, I, at the moment, think that Mr T wasn't provided with clear enough information to decide if the Additions Active account was right for him in his circumstances. And I currently think that Mr T has lost out because Barclays didn't provide him with clear enough information when selling him the Additions Active account. This means that Barclays should put things right.

### **what I think Barclays should do to put things right**

To put things right, I propose that Barclays should put Mr T back into the position he would've have been in, if he hadn't taken out the Additions Active account. So Barclays should:

- refund and pay to Mr T the fees he paid for the Additions Active account; and
- add interest at 8% per year simple on each of the above amounts from the date he paid the fee to the date of settlement<sup>†</sup>;

If Barclays is able to work out any *additional* savings Mr T has made from holding the account **and** it can show these calculations to him, 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 Mr T a certificate showing how much tax it's taken off if he asks for one.

**my provisional decision**

For the reasons given above, I intend to uphold Mr T's complaint. I propose that Barclays Bank plc pay Mr T redress as set out above.

If Barclays or Mr T have anything further to add before I issue my final decision, they should ensure anything they send reaches me by 15 January 2016.

Jeshen Narayanan  
**ombudsman**