

complaint

Miss B has complained that Barclays Bank Plc ("Barclays") mis-sold her an Additions Active packaged bank account in 2010.

background

One of our adjudicators has looked into Miss B's complaint already. He didn't think that Barclays mis-sold the packaged account. Miss B didn't accept this and asked for an ombudsman to look at her 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've explained how we handle complaints about packaged bank accounts on our website. And I've used this approach to help me decide Miss B's complaint.

I've carefully thought about everything I've seen on this complaint. But having done so, I don't think Miss B's complaint should be upheld. I'd like to explain why.

I've started by thinking about whether Miss B was given a clear choice in taking the packaged account. At this point, it may help for me to explain that I have to make my decision based on what I think is most likely to have happened. And in working out what I think is most likely to have happened, I have to think about everything I've been told together with everything else I've been provided with and see how this fits with what I do know. In other words, what I have to do, in this case, is decide what I think is most likely to have happened having weighed up what Miss B and Barclays have been able to provide me with.

It looks like Miss B upgraded to the Additions account from a fee free one that she'd had for a period of time. Miss B's said that she was told she had to upgrade to keep her overdraft. I don't know what Miss B was told when she was sold her account. But the information I've seen suggests that she already had an overdraft that she was able to use at on her fee free account. And having reviewed Miss B's account ledgers, I haven't seen anything to suggest that she successfully applied for an overdraft limit increase at the time of the upgrade either. Equally, Miss B continued to pay a separate reserve fee –that she'd been paying before – when she went into the reserve part of her overdraft. So Miss B was still paying additional separate charges to use the extended part of her overdraft.

As one of the benefits on the Additions Active account was an interest free overdraft portion as well as a substantially reduced interest rate on amounts over this, I think the salesperson may well have pointed out that Miss B could save on what she'd pay if continued to use an overdraft on her fee free account. And as this may have formed part of the discussion, I can understand why Miss B may now think that having the packaged account and being able to have an overdraft were linked. But I don't think that the salesperson would've gone as far as saying that Miss B had to have the packaged account to have an overdraft of any description.

So having weighed up what Miss B's told us against everything else I've been told, I've not seen enough here to be able to safely say that Miss B was told her existing account was no longer available or that she had to upgrade in order to be able to keep her overdraft. And

I think it's likely that, at the time, Miss B would've known that she could've kept her fee free account if that's what she really wanted to do. Having thought about everything I've seen, I think it's likely that Miss B was given a clear choice on upgrading. And I think it's most likely that she chose to upgrade to the packaged account as she, at the time, thought the benefits it included might prove useful to have.

Barclays recommended the Additions Active account to Miss B. So this means that it had to make a fair recommendation by taking adequate steps to ensure that it was a reasonable fit for her circumstances. I should start by saying that I do think it's likely that Miss B would've been told about most, if not all, of the benefits on the account in order to make it appear as attractive as possible. After all Barclays was trying to persuade her to upgrade when she most likely knew she didn't have to. And the best way to have done this would've been by telling her about what she'd get for the monthly fee.

Having thought about Miss B's wider circumstances and her actions since upgrading, I don't think that Barclays recommending the Additions Active to Miss B was unfair or inappropriate. I say this because I think that Miss B appears to have had a need for some of the main benefits on this account.

At the time Miss B upgraded to the Additions Active account the main insurance benefit that set this account apart from the cheaper ones in Barclays' range was travel insurance. Miss B has told us that she travelled at least once a year. So I don't think it's unfair to say that Miss B had a need for travel insurance. And as she appears to have been under the age limit for the policy, was a United Kingdom resident and was registered with a doctor, I've seen no obvious reason why she couldn't have made a claim on the policy if she needed to.

I've seen that Miss B's said that she went on to buy travel insurance elsewhere. But I don't think that she had this cover at the time of the recommendation. So I don't think that it was unfair for Barclays to have recommended an account that included travel insurance. And as I think it's likely that Miss B was told this, I can't hold Barclays responsible if Miss B decided to buy cover elsewhere instead of relying on what the account provided.

Miss B also appears to have had a need for the breakdown cover and mobile phone insurance that was included on the package too. Her registration of a handset appears to suggest that she found having this cover useful. And while I don't know why Miss B subsequently went on to buy breakdown cover, in 2012, as this was some time after Barclays made its recommendation, I can't say that this made the recommendation unfair. As previously mentioned the Additions Active account also came with preferential overdraft terms. And given the way that Miss B was using her overdraft, I think that this is also something that proved useful to her.

There were other benefits included on the Additions Active account. And while Miss B may not have had a want or a need for each and every one of them, the benefits on packaged accounts come as overall packages. And at the time, it wasn't possible for Barclays customers to create their own packages by picking and choosing the benefits they most wanted. And when Miss B upgraded to the Additions Active account, it was the cheapest in Barclays' range that included the benefits she appears to have wanted and needed. So upgrading to the Additions Active account was the most cost effective way for Miss B to have these benefits with Barclays at that time. As a result I think the Additions Active account was a reasonable fit when taking into account Miss B's circumstances at the time. And based on what I've seen, I don't think that Barclays' recommendation was unfair or inappropriate.

Miss B may now, with the benefit of hindsight, believe that she hasn't benefitted from the account as much she had hoped and expected to when she initially took it out – especially as she doesn't appear to have made a successful insurance claim on any of the policies. And given what she might've read and heard about packaged accounts in general, I can fully understand why this might lead Miss B to believe that her account was mis-sold. But as explained earlier, I have to base my decision on what I think is most likely to have happened at the time of the upgrade and I can't use hindsight when reaching my conclusion.

I think it's likely that Miss B chose to upgrade having been told what the account came with. So although Miss B may now think it hasn't proved to be value for money and she may be wondering why she took it in the first place, this doesn't mean that the recommendation made wasn't a fair one at the time.

I want to reassure Miss B that I've looked at all the information provided about her complaint. And I've thought about everything she's said. But having done so, and while I appreciate that this will be very disappointing for her, I don't think that Barclays mis-sold the Additions Active account to her. So I don't think it owes Miss B any money.

my final decision

For the reasons I've explained, I don't uphold Miss B's complaint.

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

Jeshen Narayanan
ombudsman