

## **complaint**

Mr W has complained that Barclays Bank Plc ("Barclays") mis-sold him First Additions and Premier Life packaged bank accounts in 2005 and 2009.

## **background**

One of our adjudicators has looked into Mr W's complaint already and he didn't think that Barclays mis-sold the packaged accounts to him. Mr W didn't accept this and asked for an ombudsman to look at his 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 Mr W's complaint.

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

### *why I think Mr W was given a clear choice in taking the accounts*

I've started by thinking about whether Mr W was given a clear choice in taking these accounts. 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 Mr W and Barclays have been able to provide me with.

The information I've seen suggests Mr W upgraded to the First Additions account from a fee free one. So I think that Mr W would've known that Barclays did fee free accounts and that he could've had one, if that's what he really wanted. Mr W's said that he was told that he had to have the packaged account in order to keep his student overdraft of £3000. But it looks like he went on to a standard fee free account where he was able to use his overdraft *before* he went on to take the First Additions account.

Mr W's not said anything about what he was told had changed in his circumstances that now meant he had to have a packaged account to continue using an overdraft that he'd previously been able to use on a fee free one either. And even then this doesn't explain why he then went on to agree to take the substantially more expensive Premier Life account four years later. So overall I've not seen enough here to be able to safely say that Mr W only took the packaged accounts because he was misled into believing this would be the only way he could keep his overdraft.

Having thought about everything I've seen, I think it's likely that Mr W was given a clear choice on upgrading. And I think it's most likely that he chose to upgrade to packaged accounts as he, at the time, thought the benefits it included might prove useful to him.

### *why I don't think that First Additions and Premier Life accounts were mis-sold*

Barclays has said that as the accounts were sold in branch a recommendation wouldn't have taken place. And I haven't seen anything to suggest that a detailed assessment of Mr W's

circumstances was carried out at the time of either sale. So I don't think that Barclays recommended the accounts to Mr W. This means that Barclays didn't have to check if they were right for them and it was up to Mr W to do this by thinking about what the account came with and his circumstances at the time.

I do think that it's likely Barclays' representative did talk about the benefits and at least provided an overview of what the accounts included. After all they were looking to make the accounts appear as attractive as possible so Mr W would agree to pay the monthly fee when he most likely knew he didn't have to.

The First Additions account included a £100 interest free overdraft portion and a substantially reduced interest rate on amounts over this as long as the consumer stayed within their overall agreed limit. What Mr W's told us suggests that he always intended to continue using his overdraft. And his account ledgers show that he did do this. So Mr W ended up making substantial interest savings on his overdraft as a result of having the First Additions account. I think that he may well have saved more than the monthly fee for the account and that he may well have upgraded for this benefit. The First Additions account also included mobile phone insurance. And his registration of a handset for this cover in the period of time he had packaged accounts with Barclays suggests that he might've found having it useful.

The Premier Life account included even better overdraft terms than the First Additions account. It provided a £1000 interest and fee free overdraft portion and even better preferential rates on amounts over this as long as the account holder kept within their overall agreed limit. Mr W continued using his overdraft to almost his limit – at least in the initial stages. And I think that he would've saved close to the amount of the monthly fee in interest payments. So the preferential overdraft terms alone may well have meant that it was worth his while taking the account out.

In any event, I also think that he could've used some of the other benefits too. Mr W continued to have access to all of the benefits that he'd found useful on the First Additions account plus travel insurance, airport lounge access and breakdown cover. Mr W's told us that he travelled regularly at the time he took out the account. As he appears to have been within the age limit for the policy, was a United Kingdom resident and was registered with a doctor, I've seen no obvious reason why he couldn't have made a claim on the policy if he needed to.

Mr W also registered for the airport lounge access shortly after taking out the account. So this suggests that, at the time, Mr W thought that this was something he might find useful even though he may not have gone on to use it. It looks like Mr W drove and had a car too. So I see no reason why he couldn't have used the breakdown cover or found having it useful.

I've seen what Mr W's said about already having these benefits and keeping them. But I think it's highly unlikely that Mr W's home contents insurance would've provided all of this cover. And certainly not at the same level. In any event, I think that Mr W was told that the accounts included these benefits at the time. And as previously explained as the accounts weren't recommended it was up to Mr W to think about what the accounts included and any other cover he may have had elsewhere.

Overall what I've seen suggests that Mr W used the main benefit he upgraded for (the preferential overdraft terms) and he was eligible for and could've used some of the others

too. As this is the case, I think it's most likely that he received enough to know and understand what it was he was agreeing to.

Mr W may now, with the benefit of hindsight, believe that he hasn't benefitted from the accounts as much he had hoped and expected to when he initially upgraded. And given what he might've read and heard about packaged accounts in general, I can fully understand why this might lead Mr W to believe that his accounts were 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 upgrades and I can't use hindsight when reaching my conclusion.

I think it's likely that Mr W chose to upgrade having been told what the accounts came with. And I think that him switching to a fee free account when he repaid his overdraft is more to do with him no longer needing the preferential overdraft terms, rather than it being indicative of him not being given a choice in the first place. So although Mr W may now think that the accounts haven't proved to be value for money and he may be wondering why he took them in the first place, I don't think that Barclays did anything significantly wrong here.

I want to reassure Mr W that I've looked at all the information provided about his complaint. And I've thought about everything he's said. But having done so, and while I appreciate that he'll find this disappointing, I don't think that Barclays mis-sold the packaged accounts to him. So I don't think it owes Mr W any money.

#### **my final decision**

For the reasons I've explained, I don't uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 19 September 2016.

Jeshen Narayanan  
**ombudsman**