

complaint

Mr B has complained that Barclays Bank Plc ("Barclays") mis-sold him a Premier Life packaged bank account in 2008.

background

Two of our adjudicators have looked into Mr B's complaint already and they didn't think that Barclays mis-sold the packaged account to him. Mr B 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 B's complaint.

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

Was Mr B eligible for the Premier Life account at the time he took it out?

Barclays introduced qualifying criteria for the Premier Life account in the second half of 2015. One of these qualifying criteria is that the account holder must have an annual salary of £75,000 a year. As Mr B didn't earn £75,000 a year, he was transferred onto some of its feature store packs. Mr B believes that as he's never earned £75,000 he's never been eligible for the account and that there was no excuse for an oversight of this severity.

But, at this point, it may help for me to explain that there wasn't a need to earn £75,000 a year for an account holder to be eligible for the Premier Life account in 2008. The only real eligibility criteria for the account, in 2008, was having a Barclays current account and paying the monthly fee. So Mr B was eligible for the account at the time it was sold to him. And I don't think that the qualifying criteria changing in 2015 means that the Premier Life account was mis-sold to Mr B.

Was Mr B given a clear choice in taking the packaged account?

I've started by thinking about whether Mr 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 Mr B and Barclays have been able to provide me with.

The information I've seen suggests Mr B upgraded to the Premier Life account from a fee free one that he'd had for a significant period of time. So I think that Mr B would've known Barclays did fee free accounts and that he could've had one, if that's what he really wanted. I've seen the comments Mr B's made about the branch Barclays initially said he upgraded at. I accept that Barclays may have made an error in the branch it referred to. But I don't think that Barclays' error means Mr B didn't have a choice in taking the account.

Having thought about everything I've seen, I think it's likely that Mr B 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.

Was Mr B provided with clear enough information for him to be able to decide if the Premier Life account was right for him at the time of sale?

Mr B's said that the account was recommended to him. But Barclays says the account wasn't as its usual sales process wasn't for recommendations to be made where accounts were sold in branch. I accept that Mr B might've been told about the overdraft benefits. But I haven't seen anything to suggest that Barclays assessed Mr B's circumstances before selling the account to him, which is what would've happened if the account had been recommended. So I don't think that Barclays made a recommendation here. And this means that it was up to Mr B to decide whether the Premier Life account was right for him, bearing in mind his circumstances at the time of the sale and taking into account what the package included. But Barclays did have to provide Mr B with clear enough information to do this.

I do think it's likely that Mr B was told about most, if not all, of the benefits on the account in order to make it appear as attractive as possible. After all it was trying to persuade Mr B to take the account when he knew he didn't have to upgrade. So the most likely way to have done this would've been by telling him about what he'd get for the monthly fee.

From what I've seen, Mr B used some of the main benefits and was eligible for and could've used some of the others. At the time Mr B upgraded, one of the main benefits that set the Premier Life account apart from the cheaper ones in Barclays' range was the preferential overdraft terms. The account included a £1000 interest and fee free overdraft portion and substantially better interest rate on amounts over this as long as the account holder remained within their overall agreed limit. Mr B has told us that the account was sold to him on the basis that he would be able to use this. So I think that this is something he was interested in. Given the amount of Mr B's agreed overdraft limit and how often and substantially he used his facility, I think he's likely to have saved on the amount of interest he paid as a result of having the Premier Life account.

Mr B also registered a handset for the mobile phone insurance and made a successful claim on it. I accept that he might not have been told about the need to register a handset for the policy – Mr B did this at the time he made a claim. But as the insurer went on to pay his claim even though his handset wasn't registered, I don't think that he's lost out. I've seen what Mr B's said about being unhappy with the level of service when he made his claim. But the responsibility for meeting a claim rests with the insurer not Barclays. So if Mr B remains unhappy and he wishes to take this further, this is something that he'll have to take up with the insurer in the first instance. Mr B making a successful claim on the policy does suggest that this cover is something he might've been interested in and which he found useful to have.

It also looks like Mr B registered for the airport lounge access benefit, which was an exclusive benefit of the Premier Life account. I accept that Mr B did this after Barclays provided him with information telling him he could use this service. But as Barclays needed to tell him how he'd be able to use the benefits, I can't say that Barclays did anything wrong here. Mr B's registration for this benefit also suggests that this wasn't something that he was completely disinterested in.

I also think that Mr B could've used some of the other benefits included on the package too. Mr B told us travelled regularly. Having looked at his circumstances, 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 travel insurance policy if he needed to. And as he hasn't said that he had this cover elsewhere, I think that he may well have been relying on it.

From what I've seen it also looks like Mr B drove and had a car too. So I can't see any reason why he couldn't have used the breakdown cover. I've seen what Mr B's said about buying this cover elsewhere (although this isn't a standard feature of car insurance) because he didn't trust what was included on the account as a result of the experience he had when trying to make his mobile phone insurance claim. But as Mr B appears to have known breakdown cover was included in the package, I can't hold Barclays responsible if he chose not to rely on it.

When Mr B upgraded to the Premier Life account, it was the only one in Barclays' range that included an interest and fee free overdraft at the level he appears to have wanted and needed. And I've not seen anything to suggest that he couldn't use the other benefits included on the package. So taking everything I've seen together, I think that Mr B was provided with enough information to understand what he was agreeing to.

Mr B may now, with the benefit of hindsight, believe that he hasn't benefitted from the account 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, and what the Claims Management Company that initially represented him most likely told him, I can understand why this might lead Mr B to believe that his account was mis-sold. But I have to base my decision on what I think is most likely to have happened at the time of the sale and I can't use hindsight when reaching my conclusion. I think that Mr B was eligible for the account at the time of the upgrade. And I also think that he chose to upgrade after having been told what the account came with. So although Mr B may now think that the account hasn't proved to be value for money, I haven't seen anything to suggest that Barclays did anything significantly wrong at the time of sale.

I want to reassure Mr B that I've looked at all the information provided about his complaint. And I've thought about everything he's said. Having done so, and while I appreciate that this will be very disappointing for him, I don't think that Barclays mis-sold the packaged account to him. So I don't think it owes Mr B any money.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr B to accept or reject my decision before 10 October 2016.

Jeshen Narayanan
ombudsman