

complaint

Mr O has complained that Barclays Bank Plc ("Barclays") mis-sold him a Premier Life packaged bank account in 2011.

Mr O has used a Claims Management Company ("CMC") to bring this complaint to us.

background

One of our adjudicators has looked into Mr O's complaint already. And he didn't think that Barclays mis-sold the packaged account. The CMC didn't accept this and asked for an ombudsman to look at their 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 O's complaint.

I've carefully thought about everything I've seen on this complaint. But while I know this will come as a disappointment to Mr O, I don't think that Barclays mis-sold the packaged account to him. I'd like to explain why I think this is the case in a bit more detail.

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

From what I've seen Mr O's account was upgraded to a fee paying Premier Life one from a fee free account that he'd had for a period of time. So I think he would've known that Barclays did fee free accounts and that he could've had one if that's what he really wanted. The CMC has said Mr O was told he'd been selected to have a preferential account and that he should feel privileged to have it. I don't know what Mr O was told at the time. Mr O may well have been told that the Premier Life account was a preferential one as it offered preferential terms (for example substantially better overdraft terms). And it looks like he actually met the qualifying criteria for Premier banking as he received the account at the reduced rate. But this doesn't mean Mr O had to have it.

So having thought about everything I've seen, I think it's likely that Mr O was given a clear choice on taking the packaged account. And I think it's most likely that he chose to take it as he, at the time at least, thought that the benefits included might prove useful to have.

As I've found that Mr O most likely agreed to the account, the crucial question I now need to think about is whether he could've used the benefits – not whether hindsight shows that the account hasn't proved value for money.

Barclays has said that as the account was sold in branch a recommendation wouldn't have taken place. And Mr O's said that the account wasn't recommended to him either. So I don't

think that Barclays recommended the account to Mr O. This means Barclays didn't have to check if it was right for him and it was up to Mr O to do this by thinking about what the account came with and his circumstances at the time.

I should start by saying that I do think it's likely that Mr O 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 him to upgrade when he most likely knew he didn't have to. And the best way to have done this would've been by telling him about what he'd get for the monthly fee.

When Mr O upgraded, the account included, amongst other things, preferential overdraft terms, mobile phone insurance, travel insurance and breakdown cover. Having looked at Mr O's account ledgers, it looks like he had an executive overdraft with quite a large agreed limit. The Premier Life account came with an interest free portion of £1000 and a preferential interest rate that was almost 10% lower than the standard rate that applied on fee free accounts, for amounts over this as long as the account holder didn't go over their overall agreed limit. Given the amount of Mr O's overdraft limit, I think that Mr O may well have taken the Premier Life account for the preferential terms. Indeed if he used his overdraft to its limit he was likely to recoup most of the fee in monthly overdraft interest savings alone. I accept that Mr O didn't end up using his overdraft that much. But as the account wasn't

I also think that Mr O was eligible for and could've used some of the other benefits too. Mr O has said that he hasn't travelled. But he registered for the airport lounge access. I've seen the CMC's said that Mr O felt that he had to register for this benefit. But I don't understand why he would have thought this. And if he did (I'm not saying I think this is the case here), I don't understand why he would've registered for just this benefit and not others. So Mr O's registration for the airport lounge access suggests that he had an intention to travel but just didn't end up doing so. So I think Mr O may well have thought that it was worth having airport lounge access and travel insurance and he didn't end up using this. While this may be the case and the account wasn't recommended, I can't hold Barclays responsible for Mr O now regretting his decision, or say that the account was mis-sold for this reason.

From what I've seen Mr O also drove and had a mobile phone too. So I've seen no obvious reason why he couldn't have found the breakdown cover and mobile phone insurance useful too. His registration of a handset for the mobile phone insurance policy also appears to suggest that he was relying on the cover. I've seen what the CMC has said about Mr O having breakdown cover elsewhere. I don't know if he did, because I've not been provided with anything in support of this. But as I think it was likely that Mr O was told about the benefits included and the account wasn't recommended to him, I can't hold Barclays responsible if Mr O relied on cover that he paid for elsewhere instead of what was included on the account.

I accept that the Premier Life account included other benefits. And Mr O may not have wanted or needed all of them. But packaged accounts aren't tailored products. And it's rare for anyone to find all of the benefits useful. At the time, the Premier Life account was the only one in Barclays' range that included the benefits I think Mr O wanted. He used some of the benefits of the account and was eligible for and could've used some of the others too. So overall I think that Mr O did receive enough to know and understand what it he was agreeing to and also decide whether the Premier Life account was right for him.

As Mr O might've read and heard general media stories on complaints about packaged accounts, I can fully understand why he may now believe that his account was mis-sold.

Especially given what his CMC's most likely told him. But my decision on this case comes down to making a judgment call on what I think is most likely to have happened. I think that Mr O chose to take out the Premier Life account. And I also think that he could've used enough of the benefits included on the account too. So I haven't seen enough here to make me think that Barclays did anything substantially wrong. Although I appreciate that this will be very disappointing for him, I hope Mr O will understand my reasons and at least feel that his concerns have been listened to.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr O to accept or reject my decision before 31 October 2016.

Jeshen Narayanan
ombudsman