

complaint

Miss and Ms B have complained that Barclays Bank Plc ("Barclays") mis-sold them an Additions Plus packaged bank account in 2006. They paid a monthly fee for the account which included some benefits.

background

I attach my provisional decision of 2 February 2016, which forms part of this final decision.

In my provisional decision I set out why I didn't intend to uphold Miss and Ms B's complaint. I invited both parties to make any further comments before I reached a final decision.

Following this, Barclays confirmed that it had nothing further to add. Miss and Ms B responded saying:

- Ms B was on two packaged accounts at the same time;
- it would have been cheaper for them to have bought breakdown cover separately;
- they bought travel insurance elsewhere;
- they didn't gain from anything else on the account.

my findings

I've 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. I've used this approach to help me decide what to do about Miss and Ms B's complaint.

I've carefully thought about the further points that Miss and Ms B have made. But having done so, I remain of the opinion that the Additions account wasn't mis-sold. I'd like to explain why in a bit more detail.

I know that Ms B says that she had the Additions Plus account on both this joint account and her sole account. But the information I've seen suggests that this isn't the case. Her sole account was switched to a fee free one shortly after this account was upgraded. So any period of overlap was only for a matter of days.

I don't know if it would've been cheaper for Miss and Ms B to have bought breakdown cover separately. But they also registered handsets for the mobile phone insurance and as explained in my provisional decision, I see no reason why Miss and Ms B couldn't have relied on the travel insurance included on the Additions Plus account too. And as I think it's likely that they were told the account included travel insurance (and they had a need for this cover), I can't hold Barclays responsible if they chose to buy cover elsewhere (after the recommendation was made), instead of relying on what was included on the account.

The benefit of hindsight may show that the account hasn't proved to be value for money. But this is because Miss and Ms B haven't had to claim on the policies. But insurance is there to provide reassurance and peace of mind that things will be taken care of should things go wrong. Thankfully things didn't go wrong for Miss and Ms B that often and as result they didn't have to claim on the benefits that much. But that doesn't mean that there wasn't a risk that things could've gone wrong in the first place. And not needing to claim on the benefits that often doesn't, on its own, mean that Barclays' recommendation was unfair at the time it was made, or that the account was mis-sold.

I appreciate that this will be very disappointing for Miss and Ms B as I know that this won't be the result that they were hoping for. But I hope that they will understand the reasons for my decision and at least feel that their concerns have been listened to.

my final decision

For the reasons set out above and in my provisional decision of 2 February 2016, I don't uphold Miss and Ms B's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss and Ms B to accept or reject my decision before 8 April 2016.

Jeshen Narayanan
ombudsman

COPY OF PROVISIONAL DECISION

complaint

Miss and Ms B have complained that Barclays Bank Plc ("Barclays") mis-sold them an Additions Plus packaged bank account in 2006. They paid a monthly fee for the account which included some benefits.

background

Miss and Ms B also complained about the sale of an Additions account that took place in 2003. Barclays has already agreed that it shouldn't have sold that account to Miss and Ms B and I understand that they've accepted Barclays's offer. Ms B has also complained about the sale of packages on her sole account. But we're looking at that complaint separately. So this decision is only looking at the sale of the Additions Plus package on Miss and Ms B's joint account that took place in 2006.

One of our adjudicators has looked into Miss and Ms B's complaint already and they thought that Barclays mis-sold the packaged account. Barclays didn't accept this and asked for an ombudsman to look at his complaint and make a final decision.

my provisional findings

I've considered all the available evidence and arguments to provisionally 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 provisionally decide Miss and Ms B's complaint.

I've carefully thought about everything I've seen on this complaint. Having done so, I don't, at the moment, think that Miss and Ms B's complaint should be upheld. I'd like to explain why.

Neither party appears to be suggesting that Miss and Ms B weren't given a choice in taking out the Additions Plus account. So I think that Miss and Ms B chose to upgrade to the Additions Plus account after Barclays recommended it to them. I've therefore looked at whether Barclays' recommendation was fair.

As Barclays recommended the packaged account to Miss and Ms B, this means that it had to make a fair recommendation by taking adequate steps to ensure that the selected account was a reasonable fit for their circumstances. I should start by saying that I do think it's likely that they 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 them to upgrade when they knew they didn't have to. And the best way to do this would've been by telling them about what they'd get for the monthly fee.

I now turn to the advisor's recommendation. As I haven't been provided with much detail on Barclays' usual sales process, I don't know how it enquired into Miss and Ms B's circumstances before it recommended the Additions Plus account. But having thought about Miss and Ms B's wider circumstances and their actions since upgrading, I don't think that any shortcoming that may have existed in Barclays' assessment of Miss and Ms B's circumstances resulted in an unfair or inappropriate recommendation being made to them. I

say this because I think that Miss and Ms B had a need for the main insurance benefit on the Additions Plus account.

At the time Miss and Ms B upgraded, the main insurance benefit that set the Additions Plus account apart from the rest of Barclays' range, was travel insurance. Miss and Ms B have told us that they travelled at least once a year. So I don't think it's unfair to say that Miss and Ms B had a need for worldwide travel insurance. And as they've told us they travelled fairly regularly and they've not said that they already had cover elsewhere, I think it's likely they relied on the cover included in the package.

Miss and Ms B also registered a handset for the mobile phone insurance and cards for the card protection benefit. I know that Miss and Ms B have said that they had some of this cover elsewhere. I don't know if they did. But they did use what was included on the package. And the account also provided preferential overdraft terms. Given the way Miss and Ms B were using their overdraft, I don't think it's unreasonable for the advisor to have said that Miss and Ms B would make savings due to the interest free portion and discounted overdraft interest rate for amounts over this.

There were other benefits included on the Additions Plus package. And I know that Miss and Ms B might not have had a need for each and every one of them. But 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. At the time, the Additions Plus account was the cheapest account in Barclays' range that included the benefits Miss and Ms B appear to have wanted and needed. And upgrading to the Additions Plus account was the most cost effective way for Miss and Ms B to have these benefits with Barclays.

So I think the Additions Plus account was a reasonable fit when taking into account Miss and Ms B's circumstances at the time. And based on what I've seen so far, I don't think that Barclays' recommendation was unfair or inappropriate.

As Miss and Ms B might've read and heard general media stories on complaints about packaged accounts, I can fully understand why they may now believe that their account was mis-sold. But my decision on this case comes down to making a judgment call on events that took place almost a decade ago. While this can be difficult as memories inevitably fade over time, in this case, I think it's likely that Miss and Ms B chose to take the package after Barclays made a fair recommendation to them. So, at the moment, 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 them, I hope that Miss and Ms B will understand my reasons and at least feel that their concerns have been listened to.

my provisional decision

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

If Barclays or Miss and Ms B have anything further to add before I issue my final decision, they should ensure anything they send reaches me by 2 March 2016.

Jeshen Narayanan
ombudsman