

complaint

Mr T has complained that Barclays Bank Plc ("Barclays") mis-sold him Additions Plus and Premier Life (twice) packaged bank accounts in 2008 and 2010. He's also complained about the sale of a 'Tech Pack' feature store package that was sold in 2013.

background

Mr T also complained about the sale of First Additions (twice), Additions and Additions Plus packaged bank accounts that took place between 2005 and 2006. One of our adjudicators has looked into all of the sales of Mr T's packages. And she didn't think that Barclays mis-sold the any of them to Mr T.

Mr T accepted the adjudicator's view on the sales of both First Additions accounts, the Additions account and the first of the Additions Plus accounts. But he didn't accept the adjudicator's view on the complaints about the sales of both Premier Life accounts, the second Additions Plus account and the Tech Pack. And he asked for an ombudsman to look at his complaint about these sales and make a final decision.

So this decision is only looking at the 2008 sale of the Additions Plus account, the 2008 and 2010 sales of the Premier Life account and the 2013 sale of the Tech Pack feature store package.

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 T's complaint.

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

I've started by thinking about whether Mr T was given a clear choice in taking these packages. 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 T and Barclays have been able to provide me with.

It looks like Mr T upgraded to the first of his packaged accounts account from a fee free one that he'd had for a significant number of years. Mr T's said that he was told he had to upgrade in order to get an overdraft. But these sales all happened a number of years ago and I have to think about what he's said in this context. And while I don't know what Mr T was told when he was sold his packages, the information I've seen suggests that he had an overdraft he was able to use for a number of years while he had a fee free account.

And Mr T then went on to upgrade to the more expensive Additions Plus and Premier Life accounts even though he was already using an overdraft. As one of the benefits on all the packaged accounts was increased interest free overdraft portions as well as preferential overdraft terms, I think the advisor may well have pointed out that Mr T could save on what

he'd pay when using his overdraft. And as this may have formed part of the discussion, I can understand why Mr T may now think that having the more expensive packaged accounts 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 Mr T had to have the packages to have an overdraft of any description. And as Mr T was able to have loans and a credit card while he had a fee free account, I think he's likely to have known that he didn't need these packages in order to borrow money from Barclays too.

So having weighed up what Mr T's told us against everything else I've been told, I've not seen anything persuasive to suggest that Mr T was told he had to upgrade. And I think it's likely that Mr T would've known that he could've had a fee free account and used an agreed overdraft on it, if that's what he really wanted to do. Having thought about everything I've seen, I think it's likely that Mr T was given a clear choice on upgrading. And I think it's most likely that he chose to upgrade to the respective packages, on each occasion, as he, at the time, thought the benefits they included might prove useful to him.

From what I've seen, it looks like Barclays recommended all of the packages to Mr T. This means that it had to make fair recommendations by taking adequate steps to ensure that the selected packages were a reasonable fit for his circumstances. I should start by saying that I do think it's likely that he would've been told about most, if not all, of the benefits on the accounts in order to make them 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 do this would've been by telling him about what he'd get for the monthly fee.

I now turn to the advisors' recommendations. Having thought about Mr T's wider circumstances and his actions since upgrading, I don't think that Barclays recommending the Additions Plus, Premier Life and Tech Pack packages to Mr T was unfair or inappropriate. I say this because I think that Mr T appears to have had a want and a need for some of the main benefits on these packages.

At the time Mr T upgraded, the main insurance benefit that set the Additions Plus and Premier Life accounts apart from the rest of the accounts in Barclays' range was travel insurance. From what I've seen, it looks like Mr T travelled and even went on to make successful claims on the travel insurance. So I don't think it's unfair to say that Mr T had a need for travel insurance. And as he 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 he couldn't have made a claim on the policy if he needed to – Mr T going on to make a successful claim appears to support this.

Mr T also appears to have registered a handset for the mobile phone insurance and another item for the gadget insurance too. Gadget insurance was a benefit that was exclusive to the Premier Life account at the respective times he was sold it. Finally, having looked at Mr T's account ledgers, it also looks like there was significant use of an overdraft. So he's also benefited from the preferential overdraft terms (the Premier Life account included even better preferential terms than the Additions Plus account) – and paid less interest than he otherwise would've – as a result of having these accounts.

There were other benefits included on the Additions Plus and Premier Life packages. And while Mr T 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, these accounts were sold it wasn't possible for Barclays customers to create their own packages by picking and choosing the benefits they most wanted. When Mr T upgraded to the Additions Plus account,

it was the cheapest in Barclays' range that included the benefits he appears to have wanted and needed. And when Mr T upgraded to the Premier Life account it was the only one in Barclays range that offered the benefits he looks to have wanted and needed at that time. So upgrading to the respective packaged accounts was the most cost effective way for Mr T to have these benefits with Barclays.

I now turn to the sale of the Tech Pack. This was sold at a time when Barclays' customers were, to some extent, able to pick and choose the insurance benefits they most wanted. Mr T looks to have registered a handset for the mobile phone insurance and a tablet for the gadget insurance after he took this package.

So while I've thought about what Mr T has said about having another packaged account with a different bank, his registration for the benefits on the Tech Pack suggest that he was relying on that cover, rather than anything else. And, in any event, given the bank Mr T has said his other account was with – I think that it's likely his other package included travel insurance rather than mobile phone and gadget insurance. This may even be the reason why the advisor suggested that he switched from the Premier Life account that included travel insurance, to the Tech Pack which didn't. And as Mr T's said that he only had his packaged account with another bank in 2013, Barclays couldn't have incorporated this into its recommendations of the Additions Plus and Premier Life accounts as they took place well before then.

Taking everything I've seen together, I think that the recommended packages were reasonable fits when taking into account Mr T's circumstances at the respective times. So I don't think that Barclays' recommendations were unfair or inappropriate in Mr T's particular circumstances.

Mr T may now, with the benefit of hindsight, believe that he hasn't benefitted from the packages 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 T to believe that his packages 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 T chose to upgrade having been told what the accounts came with. So although Mr T 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, this doesn't mean that Barclays' recommendations were unfair at the time they were made.

I want to reassure Mr T 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 this will be very disappointing for him, I don't think that Barclays mis-sold the packaged accounts to him. So I don't think it owes Mr T any money.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr T to accept or reject my decision before 26 February 2016.

Jeshen Narayanan
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