

## **complaint**

Mr and Mrs B have complained that Barclays Bank Plc ("Barclays") mis-sold them Additions, Additions Plus (twice), First Additions and Premier Life packaged bank accounts in 2001, 2005, 2006, 2007 and 2008.

## **background**

One of our adjudicators has looked into Mr and Mrs B's complaint already. And she didn't think that Barclays mis-sold the packages. Mr and Mrs B 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 and Mrs B'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 and Mrs B, I don't think that Barclays mis-sold the packaged accounts to them. I'd like to explain why I think this is the case in a bit more detail.

### *why I think that Mr and Mrs B were given a clear choice to take the packaged accounts*

I've started by thinking about whether Mr and Mrs B were given a choice in taking the packaged 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 and Mrs B and Barclays have been able to provide me with.

From what I've seen, Mr and Mrs B's account was initially opened as a fee free one. And it stayed this way for a number of years. It looks like Mr and Mrs B are suggesting that the accounts were sold in accordance with loans. I don't know what Mr and Mrs B were told at the respective times of sale. But the information I've seen suggests that Mr and Mrs B had both successfully applied for loans before they had packaged accounts. And there are also a number of successful applications made later that didn't take place at the time of any of the account switches. So I think it's unlikely that Mr and Mrs B took out these accounts solely to be able to get loans.

I've also thought about what Mr and Mrs B have said about being pressured into the Premier Life upgrade. From what I've seen, it appears as though this sale took place over the phone. I've not been provided with a copy of the call recording. But that's unsurprising given the sale took place almost eight years ago. And Mr and Mrs B haven't said much about what it was that caused them to feel pressured. So I haven't really seen enough to be able to say that they were pressured to such an extent that they had no real alternative other than to take the account, rather than simply terminate the call.

So having thought about everything I've seen, I think it's likely that Mr and Mrs B were given a clear choice on taking the packaged accounts. And I think it's most likely that they chose to take them as they, at the time at least, thought that the benefits included might prove useful.

As I've found that Mr and Mrs B most likely agreed to the packages, the crucial question I now need to think about is whether they could've used the benefits – not whether hindsight shows that the accounts haven't proved value for money.

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

Barclays has said that as these 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 and Mrs B's circumstances was carried out at the time of either sale. So I don't think that Barclays recommended these accounts to Mr and Mrs B. This means that Barclays didn't have to check whether they were suitable for them and it was up to Mr and Mrs B to decide if they were right for them by thinking about what they came with and their circumstances at the time.

I think it's likely that Mr and Mrs B 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 them to have them when they most likely knew they didn't have to. And the best way to have done this would've been by telling them about what they'd get for the monthly fee.

At the time Mr and Mrs B upgraded to the Additions and First Additions accounts the main benefit included was preferential overdraft terms. There was an interest and fee free portion of £100 and a substantially discounted interest rate on amounts over this, as long as the account holder stayed within their overall agreed limit. Having looked at Mr and Mrs B's account ledgers, I can see that they were using their overdraft regularly and so benefitted from the preferential overdraft terms. So it looks like they were able to use the main benefit included on the accounts at the time.

The First Additions account also included mobile phone insurance and I've seen what Mr and Mrs B have said about wanting this cover but not being told about the need to register. It's true that registration was a requirement for the mobile phone insurance. And I don't know if Mr and Mrs B were told about this. But I've not seen anything to suggest that Mr and Mrs B have lost out on being able to make a claim as a result of this. And I do think that Mr and Mrs B would've still taken out the account and registered handsets for the cover, if they had been told about the need to do so at the time of the sale.

I've also thought about what Mr and Mrs B have said about not wanting or needing breakdown cover. But this wasn't a benefit that was included on either the Additions or First Additions account at the time they were sold to Mr and Mrs B. And while Mr and Mrs B may have continued paying for accidental death cover elsewhere, I've seen no obvious reason why both policies wouldn't have paid out in the event of a successful claim event. So while I accept that Mr and Mrs B may not have been told absolutely everything they needed to know about the accounts, I do think that they were told enough to be able to make an informed choice on whether the accounts were right for them. And as everything I've seen suggests that Mr and Mrs B were eligible for and did use some of the benefits on these accounts, I don't think that being provided with more information would've meant that they wouldn't have taken them out in the first place.

*why I don't think that the Additions Plus (on either occasion) and Premier Life accounts were mis-sold*

Barclays has said that these accounts would've been recommended to Mr and Mrs B as they were sold to them over the phone. As Barclays recommended these accounts to Mr and Mrs B this meant it had to make fair recommendations by taking adequate steps to ensure that they were a reasonable fit for Mr and Mrs B's circumstances.

Having thought about Mr and Mrs B's wider circumstances and their actions since upgrading, I don't think that Barclays' recommendations of the Additions Plus and Premier Life accounts to Mr and Mrs B was unfair or inappropriate.

At the time Mr and Mrs B took the Additions Plus and Premier Life accounts, the main insurance benefit that set these accounts apart from the cheaper ones in Barclays' range was annual worldwide travel insurance. And having looked at Mr and Mrs B's circumstances at the time – they were under the age limit, United Kingdom residents and registered with a doctor – I've seen no obvious reason why they couldn't have made a claim on the policy if they needed to. Mr and Mrs B have also told us that they travelled outside of Europe regularly. And as they haven't said that they had this cover elsewhere, I think that they found having this cover useful.

The Premier Life account was the only one in Barclays range that offered airport lounge access. And it looks like Mr and Mrs B registered for and went on to use that service. So I don't think it's unfair to say that this is something that they were most likely interested in at the time of taking the accounts.

The Additions Plus account included an interest and fee free overdraft portion of £250 and the Premier Life account included one of £1000. And both accounts included substantially discounted interest rates on amounts over this as long as the account holder stayed within their overall limit. Mr and Mrs B's account ledgers show that they continued to use their overdraft. So they paid less in interest than they otherwise would've if they didn't have these packaged accounts. These accounts also included the mobile phone insurance that Mr and Mrs B appear to have wanted too. And it wasn't always the case that a handset had to be registered for this cover. In any event, even in the periods where this was the case, I've already explained in this decision why Mr and Mrs B perhaps not being told this, on its own, doesn't mean that the accounts were mis-sold.

I accept that the Additions Plus and Premier Life accounts included other benefits such as breakdown cover. And Mr and Mrs B 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 Additions Plus account was the cheapest in Barclays' range that offered the benefits Mr and Mrs B look to have most wanted and needed. And the Premier Life account was the only one that included airport lounge access, which Mr and Mrs B look to have wanted. So I think that the accounts were an appropriate fit for Mr and Mrs B's circumstances. And having thought about Mr and Mrs B's particular circumstances, I don't think that Barclays' recommendation of the Additions Plus or Premier Life account were unfair or inappropriate.

*Mr and Mrs B's Travel, Tech and Home packs*

It looks like Mr and Mrs B were transferred to these packs at the end of 2015. This was because the Premier Life account was withdrawn from non-qualifying Premier banking

customers. Mr and Mrs B were transferred to these packs because they most closely matched the benefits that they already had on the Premier Life account. As far as I can see, there was no separate sale here. But if Mr and Mrs B think that there was, or they are unhappy with these packs for whatever reason, this is something that they'll have to take up with Barclays in the first instance. It also looks like Mr and Mrs B still have these packs. And they will need to contact Barclays to remove them if that's what they want to happen.

As Mr and Mrs 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 packaged accounts were mis-sold. But my decision on this case comes down to making a judgment call on events that, in some part, took place almost fifteen years ago.

While this can sometimes be difficult as memories inevitably fade over time, in this case, I think it's likely that Mr and Mrs B chose to take the packages. And, I think that they did use some of the benefits and could've used some of the others too. So I haven't seen enough here to make me think that Barclays did anything substantially wrong, or that it made unfair recommendations to them. Although I appreciate that this will be very disappointing for them, I hope that Mr and Mrs B will understand the reasons for my decision and at least feel that their concerns have been listened to.

### **my final decision**

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs B to accept or reject my decision before 11 April 2016.

Jeshen Narayanan  
**ombudsman**