

## **complaint**

Mr H complains that Barclays Bank Plc mis-sold him an Additions Active packaged bank account in 2008. He is represented by his mother, Mrs H.

## **background**

Mr H had a free account before the upgrade to the Additions Active account in August 2008. The account was downgraded in January 2016.

As Mr H wasn't satisfied with Barclays' response to his complaint about the sale of the Additions Active account he brought it to this Service. One of our adjudicators has already looked into the matter and recommended that it shouldn't be upheld. Mrs H doesn't agree with our adjudicator's assessment and has asked for her son's complaint to be considered afresh by an ombudsman.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. This includes listening to the telephone calls Mrs H had with our adjudicator to help me understand why she says the account was mis-sold and why she's unhappy with our adjudicator's assessment. I've also taken into account the law, any relevant regulatory rules and good industry practice at the time the account was sold. Having considered everything I don't uphold Mr H's complaint. I will explain my reasons below.

At the outset I want to explain that where the evidence is unclear or there are conflicts, I make my decision based on the balance of probabilities. In other words I look at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to have happened.

Mrs H tells us that she is giving us facts and was unhappy that our adjudicator had made assumptions based on what information she'd received. I appreciate that Mrs H feels passionately that Barclays mis-sold the account to her son. But she also told our adjudicator that she expected her to look at what had been provided and "*make some clever deductions*". In other words she accepts that we have to look at what evidence we do have to work out what is likely to have happened. And in her calls with our adjudicator she confirmed that she wasn't at the meeting in 2008 when the account was sold to her son. And she said she "*has no idea*" what was discussed, But, she knows her son needed an overdraft.

Mrs H says her son wasn't provided with the options about the available accounts. She's provided us with a document which appears to have been sent by Barclays in 2008. This outlines the new accounts being offered from June 2008. She has placed asterisks by the Current Account Plus and Additions Active account information. This would suggest that Mr H would've been aware that there were options at the time. But even if this document wasn't something he'd seen in 2008 I've also seen the acknowledgement form he signed when he agreed to upgrade his account. This confirms that Barclays offers a wide range of accounts and that it was delighted he'd selected the Additions Active account at £14 per month. So I think Mr H would've been aware that there were a number of accounts available and that if he'd wanted to, he could remain with his free account.

Mrs H's main complaint is that she says her son was "*bullied*" into taking the Additions Active account because he wanted an overdraft. Mr H hasn't told us what was said at the meeting or why he feels he was bullied. Mrs H says that "*to mis-sell a product is a form of bullying*". But I've looked at everything and I'm not persuaded that Barclays "*bullied*" Mr H or otherwise denied him a fair choice.

As the document I refer to above mentions, at the time Mr H upgraded his free account to the Additions Active account at £14 per month, Barclays also offered a Current Account Plus at £3. Mrs H says that the cheaper account should've been offered to her son because all he wanted was an overdraft. She provided us with a copy of a letter from February 2007 which her son sent to Barclays about unauthorised overdraft charges in which he mentions he'd made applications for overdrafts in the past. And I accept that it seems an overdraft was important to Mr H. But I don't think it was as important as Mrs H thinks it was. This is because I've carefully studied Mr H's bank statements and his overdraft facility history. He did go overdrawn from time to time and paid referral fees before the upgrade. But at the time of the upgrade he wasn't overdrawn. And afterwards he only had a £10 overdraft facility.

Following the upgrade in August 2008, Mr H didn't go overdrawn at all until March 2009 when he slipped into his £10 limit by around £6. After that he stayed in credit until August 2009. And I can see from Barclays' records that in July 2009 his overdraft facility was increased to £150 – and in October it was increased again to £300. So the fact that he didn't really go overdrawn until August 2009 ties in with that history of his overdraft facility.

Both the Additions Active account and Current Account Plus offered a preferential overdraft. They didn't offer automatic overdraft facilities. Mrs H seems to think that they did, based on the Barclays document I referred to above. But this appears to be a marketing leaflet of some sort. It gives a high level description of the benefits which came with the new accounts. Consumers had to be approved for an overdraft facility. But on approved overdraft usage the first £300 was interest free. On approved usage above that the interest rate on the Current Account Plus was around 18% whereas on the Additions Active account it was around 10%. So although Mrs H is sure her son had a £300 facility from the point of the upgrade, the evidence shows he didn't.

Mr H tells us he was aware of the fee he paid for the account from the time of the sale. And I don't think it's likely that Mr H would've been willing to pay £14 per month for an account if the only benefit he was getting was a £10 overdraft facility. And when our adjudicator told Mrs H that Mr H didn't take an overdraft facility of £300 at the time of the upgrade, Mrs H asked "*what was he paying £15 for?*" I think that is the key question. And I agree with our – adjudicator – that there must have been something else which attracted him to it.

The Additions Active account also provided a number of other benefits not available with the Current Account Plus. These included worldwide family travel cover, car breakdown cover, mobile phone insurance, extended warranty cover and a will writing service. Mrs H has told us several times that as her son was a young man he didn't need a will. I accept that some young people may not feel that making a will is important but even if Mr H was one of those, he didn't have to want or need all of the benefits to be attracted to the Additions Active account as a package.

Mrs H tells us her son couldn't afford to holiday and in his questionnaire he's indicated that he didn't travel anywhere including in Europe or UK. But I can see from his bank statements that he appears to have travelled to Cyprus in 2007. And in 2009 there were several transactions in Devon in May/June which suggest that he could've been on holiday then too. I don't know if Mr H was on holiday in Cyprus and Devon – it's possible he wasn't. And I accept that Mr H may not have needed family travel cover. But as I mention above he didn't have to want or need all the benefits to think the account as whole might be useful.

Mrs H draws our attention the fact that her son worked for a car breakdown provider and so he had knowledge about car breakdown cover. From his statements it looks as though Mr H worked for the provider his mother mentioned until March 2008 at which point his statements suggest that he changed employment. This was a few months before the upgrade. It's possible he also lost a staff benefit relating to car breakdown cover when he left that job. In any event, I think the fact that Mr H was knowledgeable about car breakdown cover is important in this case. As it's likely he would've understood the level of cover being offered by the Additions Active account.

Mrs H says that her son could've had much cheaper separate car breakdown cover. And she referred our adjudicator to the fact that one provider currently advertises cover at less than £30 per year. So she asks why her son would've agreed to pay £14 per month for an account unless he'd been bullied into it. But I've looked at the website of the provider she mentions and I can see that £30 per year is for basic cover. With additional cover the cost could be well over £100. The cover provided by the Additions Active account included roadside, recovery, at home and onward travel cover – so significantly better than the basic on-line cover Mrs H referred us to.

Mrs H also said to our adjudicator that her son had held a company car for the last six or seven years and asks why he would need car breakdown cover. This suggests he didn't have a company car at the time of the upgrade. And I note that Mr H has made four call outs on the car breakdown cover since 2011. So it seems he did rely on it. I've seen the details of the vehicles involved and I don't know whether they were company cars but from their registrations it seems that they were all at least 10 years old. And whether or not they were company cars it appears that the benefit provided by his Additions Active account has been useful to Mr H.

Taking all of this together I haven't seen sufficient evidence to conclude that Mr H was bullied to take the Additions Active account. I think that he chose to upgrade because he thought that for the cost it would be useful. As Mr H's mother tells us he'd have known about car breakdown cover I think it was probably the car breakdown cover which was the main attraction. I don't think at that time it was the preferential overdraft, as he didn't take an overdraft facility large enough to derive any significant benefit until a year later.

As well as offering Mr H a fair choice about taking the account, Barclays had some other obligations. If it recommended it to him, it had to take steps to ensure that it was appropriate for him in his circumstances. And whether or not it made a recommendation, it had to give Mr H enough clear information about it so he could make an informed decision about whether it was right for him.

Barclays says it wouldn't have made a recommendation. Mrs H says it did advise her son to take the account. But from what Mr H tells us it doesn't sound as though there were any in depth discussions about his circumstances which would've informed a recommendation. And I note that on the acknowledgement form Mr H signed it says "*We are not making a personal recommendation based on your individual circumstances that the account is suitable for your needs. We recommend that you read the relevant 'Accounts- Important Information' booklet which provides information about the account, including the policy summaries, carefully*".

With all this in mind I don't think that Barclays recommended the account and so didn't have to check it was appropriate for Mr H. That was for him to decide based on the information which Barclays gave him. I note that Mrs H refers us to what she has seen in the media. But we consider each case on its individual merits and I've outlined above what I'm taking into account when reaching my decision in Mr H's complaint. Banks didn't always recommend the packaged accounts they sold.

The signed acknowledgement letter says that a welcome pack would be sent to Mr H. I think that as Barclays was trying to sell the account and make it appear attractive, that it's likely to have told him about the headline benefits. And it seems Mr H was aware of the benefits and cost. But I accept that Barclays may not have told Mr H all the details behind the individual benefits. But having looked at his circumstances, and what I think attracted him, I don't Mr H would've decided against upgrading even if Barclays had given him better information.

Whilst I acknowledge that Mr H will be disappointed by my decision, I'm not persuaded that Barclays did anything so significantly wrong that I should uphold his complaint.

### **my final decision**

For the reasons outlined above I don't uphold Mr H's complaint or make any award against Barclays Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 14 July 2016.

EJ Forbes  
**ombudsman**