

complaint

Mr B complains that Barclays Bank Plc mis-sold him a packaged bank account. He is also unhappy with the way it dealt with his complaint.

background

Mr B complained to Barclays about the sale of his packaged account. I understand that Barclays agreed to pay Mr B £50 compensation because of the way it had handled his complaint. But it didn't agree that it had done anything wrong so far as the sale of the packaged account was concerned. So Mr B brought his complaint to this Service.

One of our adjudicators looked into the matter. She recommended that the complaint about the sale shouldn't be upheld. And she concluded that the £50 compensation, which had already been paid, was fair in the circumstances.

Mr B disagreed with our adjudicator's assessment. So he asked for an ombudsman to consider his complaint afresh. A few weeks ago I looked into Mr B's complaint. I decided to issue a provisional decision because – although I was reaching the same outcome as our adjudicator – I was referring to some different things. I invited Mr B and Barclays to let me have any further comments or evidence they wished me to consider.

my findings

I've re-considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Barclays hasn't provided any response to my provisional decision. Mr B has kindly sent in his thoughts about it. And although I've carefully considered what he has told me, he hasn't provided me with any new evidence. In these circumstances I see no reason to depart from my provisional conclusions.

This is what I said in my provisional decision:

Mr B told our adjudicator that he was 100% sure that he took an Additions account in 2008 or 2009. He was also sure that the account provided travel insurance and car breakdown cover. He also confirmed that he didn't have any other current account with Barclays.

Barclays says Mr B had a free account before the upgrade which was in July 2011. It also says that he upgraded to the Current Account Plus. It has provided Mr B's statements going back a number of years. These show that no account fee was charged before 2011 and that the fee charged from August 2011 was for the Current Account Plus – not an Additions account. I also understand that the Additions account wasn't sold to new customers in 2011. So I think Mr B's memory about what he was sold, and when, may have faded.

I also think Mr B may not remember his circumstances so clearly either. For example he tells us that he never travelled abroad. But I can see from his statements that in 2010 cash withdrawals were made in Germany in the spring and in Spain in the summer. These suggest that he was overseas during that year.

I mention these matters not to suggest that Mr B isn't telling us the truth, but to demonstrate how memories can fail. In my experience it isn't at all surprising for memories of events to change over the years.

Mr B's main complaint is that he wasn't given a fair choice. He recalls being pursued with a sales pitch from Barclays' advisors every time he rang on a banking matter. He says that as he didn't have a local branch, he conducted most of his banking over the phone and so was regularly on the phone about his account. But it seems, from what he tells us, he was able to resist for quite some time before eventually agreeing to upgrade his account.

There is a fine line between encouragement and pressure when selling accounts such as these. But on the evidence before me I'm not able to safely conclude that Barclays crossed this line and acted inappropriately. Certainly what Mr B has described suggests he was aware he had a choice, and that he could've decided against taking the packaged account. And so I can't say that Barclays pressured Mr B to such a degree that he felt he had no option but to upgrade his account.

So I think Mr B was given a fair choice about upgrading his account. I think he did so because - for the cost - he found it attractive. Mr B says that the advisor told him about the benefits and he explained that he didn't need most of them because he had things such as travel insurance and car breakdown cover through his employment. He accepts that he used his overdraft quite a lot and so the preferential overdraft benefit provided by his packaged account was the only thing he feels he benefitted from. He also accepts that he had mobile phone insurance with a provider which he cancelled after upgrading - on the advice of the Barclays' advisor. But he says he didn't need that benefit.

In 2011 Barclays did offer some more comprehensive - and expensive - accounts than the Current Account Plus. This was its cheapest packaged account at £5 per month. And its two main benefits were a preferential overdraft and mobile phone insurance. The overdraft benefit meant that the first £300 of overdraft usage was interest free and above that, a reduced rate of interest was charged. It didn't provide travel insurance or car breakdown cover like the more expensive Additions Active account.

During his call with our adjudicator Mr B mentioned that he was paying quarterly for extensive mobile phone insurance with one provider and his usage contract was with another. I can see that Mr B usually paid £60 or more per month to one provider on around the 7th of each month - that seems to be the service provider for using his phone.

I can also see that Mr B paid the other company £15.99 per month on around 17th of each month. He had been paying this monthly for well over a year before the upgrade. I note that this payment was made for the last time a few days after his upgrade. And then it was immediately refunded back into his account. This ties in with what Mr B says about registering his phone straightaway through his packaged account and cancelling his existing cover. Mr B says he was forced to cancel his mobile phone existing cover by the Barclays' advisor. I don't think it's likely that the advisor forced him to cancel it - although I accept she may have advised him to do so. I think Mr B opted to cancel it to save him the £15.99 per month he'd been paying.

At £5 per month the Current Account Plus was significantly cheaper than the cover Mr B appears to have had under his stand-alone arrangements. And he was getting a better deal on his overdraft within the same package - so was saving money there too. Mr B tells us that the insurance he had through his bank account was significantly inferior to his stand-alone policy. And I accept that it may have been. But he tells us he knew that at the time. And he still chose to cancel his old policy and register his phone for the packaged bank account cover. I think that this was because he identified he could make a saving whilst still having some level of cover.

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

From what Mr B tells us about his circumstances at the time I haven't seen anything to persuade me that the Current Account Plus was an inappropriate recommendation. And it sounds as though Mr B was told about the benefits because he remembers discussing them with the advisor. But I accept it's possible that Barclays didn't give him all the details about the account it should have done. However I don't think there was anything about the benefits which meant that they couldn't be useful to Mr B. So as I think he chose to upgrade for the preferential overdraft and mobile phone insurance and he was able to go on and rely on these, I'm not persuaded he'd have made a different decision even if Barclays had given him better information.

Mr B says he had no need for other benefits which came with the Current Account Plus. But packaged accounts weren't usually tailored to individual customers and so it's possible that he may not have needed everything which came with it. Other benefits included gadget cover, an identify support helpline and extended warranties for domestic appliances. I accept Mr B may not have used all of these but he appears to have registered a laptop computer for the gadget cover in 2013. So although he may not think he's benefitted from having the account, it seems there were a number of features which he was able to take advantage of whilst he held it.

Mr B is unhappy that Barclays says he made a claim on the mobile phone insurance – but he denies this has ever happened. I accept what Mr B says on this point and I want to reassure him that I haven't taken what Barclays says about this into account when reaching my decision. I note the date of the supposed claim is the same date as the registration of the laptop I mention above. So it seems that could have been an input error at the time.

Taking everything together I don't propose upholding Mr B's complaint about the sale of his packaged account.

Mr B is also unhappy about the way Barclays handled his complaint. He mentions that he was involved in several long calls and wants to be reimbursed for his time. And he complains about the insensitive way a Barclays' advisor commented on his mother's disability. Barclays has provided us with a transcript of the call when it was agreed that a total of £50 would be paid to Mr B about the way it had handled his complaint and the issues around changing his address.

It seems that shortly before this call Mr B had been paid £25 by an earlier advisor. And the advisor in this call agreed to pay an additional £25 and apologised to Mr B. According to the transcript Mr B was happy with the offer and agreed to close down the complaint about those aspects at that time. The call ended with Mr B thanking the Barclays' advisor for his time and wishing him an enjoyable evening. So I'm satisfied that Barclays addressed these issues to Mr B's satisfaction at the time and I don't propose to ask it to pay him anything more in respect of his trouble and upset.

I mention above that Mr B has taken the trouble to write to me with his further comments. I want to reassure him that although he thinks our complaints process is designed in favour of the banks, we are an independent service and I am impartial. And so I've considered all the evidence provided by both Mr B and Barclays when reaching my decision.

I understand that Mr B is unlikely to have evidence such as recordings of all the telephone calls between him and Barclays. But I have listened to what he has told us. But, as I explained in my provisional decision, whilst I don't doubt Mr B has provided his honest recollections I'm mindful that memories can and do fade over time. That is why I mentioned that I could see he had taken trips in 2010. I didn't do this to show that he needed any travel insurance, but to demonstrate that his recollection about his circumstances at the time of the upgrade may have faded over the years. In his questionnaire he had previously told us that he never travelled. But it seems he did travel - at least twice - in the year before the upgrade.

And where the evidence is unclear or there are conflicts between what the parties tell us, 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. So when a party's recollection seems to have faded to some extent, I take into account what they are telling me, together with all the other evidence and circumstances, to help me reach my conclusion.

In his response to my provisional decision Mr B says he never used the insurance which came with his packaged account. But he did register a phone and a laptop for cover. So whilst he may not have made any claims, he did have the reassurance of being covered. He also points out that he didn't register for the travel cover and purchased stand-alone cover for his holidays – but that was never a benefit of the packaged account he held. So it wasn't available to him in any event.

I acknowledge that Mr B feels strongly that the account was of no use to him apart from the preferential overdraft. But I want to reassure him that from what I've seen it seems he did rely on some of the benefits – even if he doesn't now feel he did. And he did pay less for his overdraft usage than he would've paid for it if he'd kept a free account.

Finally, I note Mr B's comments about the £50 compensation he received. But for the reasons outlined in my provisional decision it seems that although Mr B feels the comments were disgusting, he was satisfied with the offer of £50 at the time. And he hasn't told me anything more to persuade me that I should require Barclays to pay him any more compensation. I'm sorry that this won't be the outcome Mr B was hoping for. But having considered everything I'm not persuaded to uphold his complaint.

my final decision

For the reasons outlined above and in my provisional decision, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 31 May 2016.

EJ Forbes
ombudsman