

complaint

Mr and Mrs R have complained that Barclays Bank Plc (Barclays) mis-sold two packaged bank accounts to them.

They initially had an Additions packaged account they took out at some point between 1996 and 1998. They then upgraded this account to an Additions Plus account in 2008. They paid a monthly fee for the account and received several benefits in return. Mr and Mrs R downgraded their account in 2013.

Mr and Mrs R have used a claims management company (CMC) to bring their complaint to us.

background

One of our adjudicators has looked into Mr and Mrs R's complaint already. The adjudicator didn't think that Barclays mis-sold the Additions or the Additions Plus account to Mr and Mrs R and didn't recommend that Barclays should pay them any compensation. The CMC didn't accept this recommendation and asked for an ombudsman to look at the complaint and make a final decision.

I issued a provisional decision on 26 August 2015. In my provisional decision I set out why I didn't think I should uphold Mr and Mrs R's complaint. I asked both Mr and Mrs R and Barclays to provide any further comments and any new evidence before I made my final decision.

Barclays said it had nothing further to add. Mr and Mrs R and their representatives made some additional points. I've thought about these points carefully but I still don't think their complaint should be upheld. I explain why in my findings.

Mr and Mrs R also bought further "feature store products" from Barclays after they downgraded their packaged account. It's been confirmed with Mr and Mrs R that these are not part of this complaint. So I will not be considering this.

There's also been some dispute about airport lounge registration. But I have confirmed that airport lounge access was not a feature of either account.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

We have explained how we handle complaints about packaged bank accounts on our website. I have used this approach to decide what to do about Mr and Mrs R's complaint.

Mr and Mrs R have said they have never held a fee-free account and were pressured into taking out the packaged accounts. They say this was because the representative stressed the need to protect their cards through having the card protection on the accounts. And that if they'd been aware this cover was available through statute then they wouldn't have upgraded. But Mr and Mrs R's representative haven't provided any other detailed testimony from Mr and Mrs R about either sale. And Barclays has said that its records show that prior to 1996 (the first point it began selling this account) Mr and Mrs R held a fee free account for

a number of years. So taking everything into account, I don't think Mr and Mrs R were pressured into taking the accounts. I think Barclays gave them a choice to stay with a fee-free account or change to the Additions. And I think they had a fair choice when upgrading to the Additions Plus account.

In my provisional decision I explained why I don't think the Additions upgrade was recommended. This was because I haven't seen anything which makes me think it's likely a recommendation was given. So I don't think Barclays did recommend this upgrade. But it did have to give Mr and Mrs R enough information so they could decide if they wanted it. I also explained why I think the upgrade to the Additions Plus account was recommended. This was because both Barclays and Mr and Mrs R have said the sale was recommended. And Barclays has provided a screenshot which it says confirms a demands and needs assessment took place. So as well as needing to give Mr and Mrs R enough information, it seems that Barclays recommended the Additions Plus account to them. So Barclays needed to make sure the insurance benefits of the account were suitable for Mr and Mrs R's needs.

did Barclays make a fair recommendation about the Additions Plus account?

Mr and Mrs R have said they had existing medical conditions when they upgraded to the Additions Plus account. This meant they would've needed to complete a medical screening under the travel insurance provided by the account. But I can see Mr R did complete medical screenings and continued with the account. This suggests they were happy with the cover. And I've seen nothing else to suggest the other insurance benefits were unsuitable for Mr and Mrs R.

In response to my provisional decision Mr and Mrs R and their representatives said that as the Additions Plus account was recommended, this supports the argument that they were pressured. But I don't agree that this shows they were pressured. And I've explained above why I think it's more likely they had a fair choice.

did Barclays give Mr and Mrs R clear enough information about the accounts?

I think it's likely the main benefits of the accounts and the cost were discussed during both sales. It's possible that Barclays didn't tell Mr and Mrs R everything it should have about the packaged accounts. But I haven't seen anything to make me think that Mr and Mrs R wouldn't still have taken the accounts even if Barclays had told them everything.

As I've mentioned above, the Additions Plus account came with travel insurance. And Mr and Mrs R have said they both suffered from existing medical conditions when they upgraded to this account. I can see that they needed to call and complete a medical screening for existing conditions. But as Mr R did complete a 'medical risk assessment' the same month as taking out the account, this shows they were aware of the need to do this. And they then continued with the account. Mr and Mrs R have also said they travelled and did not hold any alternative travel insurance, suggesting they were relying on the cover provided by the account. So I think it's likely they were given clear enough information about needing to check the impact of their existing conditions with the insurer.

Mr and Mrs R have said that they had duplicate breakdown cover. I can see that breakdown cover was added as a benefit whilst they had the Additions account. And I think Barclays would've told them it was added as a benefit. So it was then for Mr and Mrs R to decide if they wanted to use this or rely on alternative cover.

Mr and Mrs R have said the card protection only duplicated what they were already entitled to through statute. And if they'd known this then they wouldn't have upgraded. I've thought about this carefully but as explained above, Mr and Mrs R's representatives haven't provided much detail about what Mr and Mrs R remember from either sale. And taking everything into account, I think they might've found this benefit of use to them. In particular, both policies had the advantage of holding all their card information in one place. So if they did lose their cards, they had the convenience of only needing to contact one company.

In response to my provisional decision Mr and Mrs R and their representatives made points about the value of the account. They said it needed to be shown that Mr and Mrs R benefited more from the account than they've paid in account fees otherwise the recommendation was unsuitable. I explained in my provisional decision that I thought Barclays recommended the upgrade to the Additions Plus account. But it would be very difficult to know for sure if Mr and Mrs R saved more on this account than they paid in total fees. This is because they've benefited from the travel insurance on the account. And Mr and Mrs R have continued to benefit from a number of other features that remained available on the Additions Plus account. This included preferential overdraft rates, breakdown insurance and card protection.

Mr and Mrs R and their representatives have also raised points about Barclays' staff being incentivised to sell packaged accounts. But in Mr and Mrs R's case (as I've explained above) I think they chose to upgrade their accounts, knowing they didn't have to and knowing how much they cost. So I don't think being told about any staff incentive scheme would've changed their choices.

I've noted what Mr and Mrs R and their representatives have said about some people travelling without insurance or having overdrafts without packaged accounts. And they've said that although Mr and Mrs R used these benefits it doesn't mean this is what attracted them to the accounts. But in any event, I think they were attracted to some of the benefits and chose each account for these reasons. I also don't think Mr and Mrs R needed to use all the benefits in order to be attracted to the accounts.

It has also been raised that Mr and Mrs R tried to downgrade their account but were pressured into keeping it. Barclays has said it has no record of Mr and Mrs R trying to do this before 2013, when they did downgrade their account. And Mr and Mrs R's representatives haven't provided any detailed testimony from Mr and Mrs R about how or when they tried to do this. So given what I have available, I can't say that Barclays prevented Mr and Mrs R from trying to downgrade their account before they were able to in 2013.

I want to reassure Mr and Mrs R that I've looked at all the information provided about their complaint. And having done so, I don't think Barclays mis-sold the packaged accounts to them.

my final decision

For the reasons I've explained, I don't uphold this complaint and Barclays Bank Plc doesn't need to do anything.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs R to accept or reject my decision before 8 February 2016.

Claire White
ombudsman