

complaint

Mr H has complained that Barclays Bank Plc (“Barclays”) mis-sold him a number of packaged bank accounts. He paid a monthly fee for the accounts which provided several benefits in return.

background

Mr H has had a number of packaged bank accounts, some of which I've looked into the sales of and some of which I haven't. I'll firstly outline Mr H's account history and then explain which sales I've looked into, and why.

- the account was opened as a Young Person's account in August 2000
- it was changed to a fee-free Barclays Bank Account in October 2000
- it was upgraded to an Additions packaged bank account in November 2000
- it was downgraded to a fee-free Barclays Bank Account in May 2003
- it was upgraded to a Current Account Plus packaged account in November 2009
- this was changed to a Premier Current Account in September 2011
- the account was changed back to a Current Account Plus in December 2011
- Barclays migrated the account to a Barclays Bank Account with added “Tech Pack” in May 2016

We've already told Mr H that we can't look into the sale of the Additions account in November 2000 as he complained about it too late. And Mr H has previously made a complaint about the Premier Current Account sold in 2011, which Barclays resolved in December 2011. So I haven't considered either of those sales in this decision. I've looked into the Current Account Plus sale in 2009, the Current Account Plus sale in 2011, and the Tech Pack migration in 2016.

One of our adjudicators didn't think that Barclays treated Mr H unfairly when it sold him the Current Account Plus packages in 2009 and 2011, or when it migrated his account to the Barclays Bank Account with Tech Pack in 2016. So he didn't recommend that Barclays should pay Mr H any compensation. Mr H didn't agree so he asked for an ombudsman to look at the 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. I've used this approach to help decide what to do about Mr H's complaint.

Where evidence is incomplete and matters are in dispute, as they are here, I make my decision based on what I think is *most likely* to have happened – keeping in mind everything I've seen and been told.

After giving Mr H's complaint a lot of thought, I don't think the packaged bank accounts were mis-sold to him. I'll explain why.

Current Account Plus sold in November 2009

I've started by thinking about whether Mr H was given a fair choice when he took this account.

Mr H hasn't made specific complaint points in relation to each sale, but he's said that each time his account was upgraded it was done so automatically.

I can see from Mr H's account history with Barclays that he'd previously held both free and paid-for accounts. And before he took the Current Account Plus for the first time, he held a fee-free account for around six years. So I think he was aware that fee-free accounts existed, and I can't see anything that would've made Mr H think having a fee-free account was no longer an option for him.

Barclays has also provided some brief notes from a telephone call it had with Mr H when it sold him the Current Account Plus. The document doesn't contain a lot of detail and I haven't heard a recording of the call, but based on what I've seen I'm satisfied that a conversation took place. So I don't think Mr H's account was upgraded without his knowledge.

On balance, I think it's more likely than not that Mr H knew he could keep his fee-free account if he wanted to, but chose to upgrade. And I don't think Barclays needed to do anything else to make him aware of that.

Because this account was sold by phone, Barclays says it would've made a personalised recommendation to Mr H. That means it needed to check his circumstances to make sure the benefits of the account were suitable for him.

The main benefits of the Current Account Plus in 2009 were mobile phone insurance, extended warranty cover, and an interest-free overdraft portion.

I can see that in the months leading up to the upgrade Mr H was using his overdraft heavily. He continued to do so after the upgrade, and in the year following it he was overdrawn almost every day. Mr H also says he had a mobile phone. So I think Barclays' recommendation was fair, bearing in mind that the key benefits seem to have been suitable for Mr H's needs.

I know Mr H has pointed out that he didn't register his mobile phone under the insurance policy until much later – which is true – but I don't think that means the recommendation was unsuitable at the time the account was sold. I do think it means Barclays might not have told Mr H about the registration requirement, but I can't see that Mr H has had a claim declined or lost out because of that, so I can't tell Barclays to put anything right.

As well as making a suitable recommendation, Barclays had to give Mr H enough information about the account's benefits for him to decide whether he wanted it. I can't be sure how much Barclays told Mr H but I do think it's likely Barclays told him about the main insurance benefits and the interest-free overdraft. After all, Mr H would've expected to get something for the monthly fee. I accept that Mr H might not have used all the benefits of the account as much as he could have, or with hindsight he might not feel like it's been good value for money to him, but I don't think that means the account was mis-sold.

It's possible that Barclays didn't tell Mr H everything it should have about the Current Account Plus. But as I think Mr H chose the account because the benefits appealed to him, I think he'd still have taken the account even if Barclays had told him more about it.

Current Account Plus sold in December 2011

Before he took the Current Account Plus for the second time in 2011, Mr H held a Premier Current Account. I've seen some notes and Barclays' response to a complaint he made about that account, and it appears that as part of the resolution to it Mr H requested that his account was changed back to the Current Account Plus. So whilst there may not have been a formal sales process, I do think this change was made with Mr H's knowledge and consent.

As Mr H's previous account (the Premier Current Account) appears to have been sold to him in error, I think Mr H continued to be aware of and want the benefits of the Current Account Plus. Mr H had continued to use his overdraft heavily before he changed his account back to the Current Account Plus, and was overdrawn every day in the year that followed the sale. He also registered a mobile phone under the account's mobile phone insurance policy – albeit some time later – and the notes from the complaint about the Premier account suggest Mr H wanted to revert to the Current Account Plus to benefit from its extended warranty cover.

So I'd consider that at the point Mr H's account was changed to the Current Account Plus in December 2011, it was a continuation of him previously holding it. Although he held the Premier account for around three months between holding a Current Account Plus for the first and second time, I can't see any significant changes to the benefits in that time, and so I think Mr H still knew what they were and had a need for them.

migration to the Barclays Bank Account with Tech Pack in May 2016

In 2016 Barclays changed its product range and the Current Account Plus was no longer available, so it changed Mr H's account to the closest available account from its new range.

I can see that Barclays sent Mr H a letter to warn him of the upcoming change in February 2016, and another letter in May 2016 once the account had been changed.

Mr H says he received these letters, but he was unaware he could change his account at that time to a fee-free account. He's explained that the information about downgrading his account was on the back of the letter, and he didn't turn it over so he was unaware of his options.

I've looked at the letters in question and it's true that the options for downgrading are on the second page of the letter. But I can't hold Barclays at fault for that. It gave Mr H the option and whilst it's unfortunate, Mr H just didn't see it.

So I don't think Barclays treated Mr H unfairly by migrating his account. It gave him adequate notice of its intention to do so and let him know what he could do if he wasn't happy about it.

I've also seen that Mr H said he wasn't told he could downgrade his account to a fee-free account whenever he called to query the fees he was being charged. He's explained that whilst the Barclays representatives always made the effort to reiterate the benefits of the accounts, he wasn't told he could opt out of them.

Although Mr H called to query the packaged account charges, I'm not aware that he ever asked to downgrade his account. And as Mr H had held several different accounts from Barclays' range, including a fee-free account, I think it's more likely than not that he was aware he could've downgraded if he wanted to, even if Barclays didn't proactively offer him that option.

I want to reassure Mr H that I've looked at all the information I have about his complaint. And although I haven't listed every point he's made individually, I've thought carefully about everything he's said. But having done so I don't think Barclays mis-sold the packaged accounts to him, so I don't think it owes him any money.

my final decision

I'm sorry to disappoint Mr H but for the reasons I've explained, I don't uphold his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 September 2018.

Sam Wade
ombudsman