

complaint

Mr and Mrs R complain that they were mis-sold two packaged bank accounts by Barclays Bank Plc.

background

Mr and Mrs R's joint account was upgraded to a packaged account called Additions in 2007. At the time of the upgrade, the Additions Account cost £11.50 a month and came with a range of benefits which included mobile phone insurance, breakdown cover and domestic emergency cover (amongst other things). In 2008 Mr and Mrs R's account was upgraded again, this time to an account called Additions Active. The Additions Active Account cost £14 a month at the time of the sale and offered a range of benefits, some of which were travel insurance, breakdown cover and mobile phone insurance.

Our adjudicator considered the complaint. He didn't think the accounts were mis-sold. Mr and Mrs R disagree with this opinion so the complaint has been passed to me.

my findings

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

Based on what I've seen, I think the Additions Account was recommended to Mr and Mrs R. This means that Barclays had a responsibility to assess whether the benefits of the account were appropriate for them. The Additions Account offered benefits such as a mobile phone insurance, breakdown cover and card protection. There isn't information to suggest that Mr and Mrs R weren't eligible for these benefits and they seem to have been able to use them. I understand that Mr R used a vehicle for business that was covered by a separate insurance policy. Mr and Mrs R point out that this would have meant that the packaged account wouldn't have been as useful to them. But the breakdown cover would still have been available for Mrs R to use along with the other benefits the account came with. In a few letters to us Mr and Mrs R have referred to paying an £11.50 fee before they had upgraded to the Additions Account. They believe the fee related to their overdraft. I've looked through Mr and Mrs R's bank statements (from 1998 to 2015) and I haven't seen a one-off or regular charge of £11.50 for the period before the Additions upgrade. What the statements do show though is that Mr and Mrs R were incurring charges for unauthorised overdraft use and they also were charged interest on their overdraft use. But these were separate amounts and weren't fees for having the accounts.

It's notable though that Mr and Mrs R have specifically mentioned the amount of £11.50 in connection to their overdraft. The Additions Account cost £11.50 a month and throughout the years it has offered varying discounts on overdraft use. Barclays haven't said whether the account provided any discounts on the charges connected to overdraft use in the year Mr and Mrs R upgraded (2007). But there is information to show that in 2008 and in 2006 the account offered a £250 interest free overdraft with a preferential rate of interest on top. With this in mind, I think it's likely that at the time of the upgrade in 2007, the account offered discounts related to overdraft use. I think this benefit was discussed with Mr and Mrs R and this may be the reason they've linked the £11.50 account fee to their overdraft. In any event, overall I don't think it was wrong for Barclays to recommend the Additions Account to Mr and Mrs R.

Although the recommendation seems to have been appropriate, Barclays still had to give Mr and Mrs R enough information about the account to enable them to decide if it was right for them. Barclays have said that Mr and Mrs R would have got a welcome pack with all the information about the account. I haven't been given a copy of this, so it's possible that Mr and Mrs R may not have got all the information they needed about the account. But having considered the information available, I haven't seen evidence of details they should have got that could have affected the way they used the account.

In 2008 Mr and Mrs R's account was upgraded to the Additions Active. The Additions Active cost around £3 more than the Additions Account and it offered slightly different benefits such as travel insurance.

I don't think there was a recommendation at the time of this upgrade. From what I've seen it seems that Mr R was given some information about the account when he visited a branch and decided from what he heard to upgrade. Mr R has told us that he remembers being told about the travel insurance the account offered. Because he travelled, he thought the insurance would be useful. What Mr R didn't realise was that in order to make a claim under the insurance he needed to be registered with a UK doctor. Mr R wasn't registered with a UK doctor at the time of the sale and so wouldn't have been able to claim.

Barclays had a responsibility to give Mr and Mrs R enough information about the account to enable them to decide if they wanted it. This included giving them clear information about the exclusions that applied. Mr R seems to have been told about the account benefits but I'm persuaded by what he's said about not being given clear information about the need to register with a UK doctor. But while I think the information Barclays gave Mr R wasn't good enough, my role when something has gone wrong is to consider what position the customer would have been in if nothing had gone wrong. So I've thought about this next.

Had Mr R been told about the need to register with a UK doctor, I think he would still have upgraded his joint account, but then gone on to register with a doctor. From what he's told us I don't think the registration requirement would have caused him to decide not to upgrade. In these circumstances Mr and Mrs R would still have paid the monthly account fee. I appreciate Mr and Mrs R's point about not being able to make a claim if they needed to. But thankfully they didn't need to and I'm unable to direct that Barclays compensate them for any *potential* loss.

I know Mr and Mrs R will be disappointed with my decision but I'd like to reassure them that I've considered all the information they've provided us. Including what they've told us in their letters and over the phone. Having done this, I'm not going to ask Barclays to compensate them.

my final decision

I don't uphold Mr and Mrs R's complaint.

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

Tope Adeyemi
ombudsman