

## **complaint**

Mrs C complains that Barclays Bank Plc ("Barclays") mis-sold her a packaged bank account. She's brought her complaint to us through a claims management company ("CMC").

## **background**

Barclays has told us Mrs C upgraded from her fee-free account to a Premier Life account in 2009. The packaged account offered a number of benefits for a monthly fee.

Mrs C says that her account was upgraded automatically and she didn't use any of the benefits until 2014. Our adjudicator thought that Mrs C had wanted a packaged account in 2009, but thought that, with better information from Barclays, Mrs C would have taken the Additions Active account which came with most of the same benefits as the Premier Life account, but for a cheaper monthly fee. Neither Mrs C nor Barclays agreed with the adjudicator's 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. I think the relevant issues to take into account are the same as those set out on our website about our approach to complaints about packaged bank accounts.

Where Mrs C and Barclays disagree or there is evidence missing, I have to make my decision based on what I think is *most likely* to have happened.

I've decided not to uphold Mrs C's complaint and I'll explain why.

The CMC told us that Mrs C wasn't given the option of taking a fee-free account. But Mrs C upgraded from a fee-free account to the packaged account. So I think it's likely she knew she could have a free account as she'd previously held one with Barclays. There's limited information about what happened when Mrs C was sold the Premier Life account. But I've not seen anything which makes me think Mrs C was told she *had* to upgrade her account. Mrs C signed an application letter acknowledging the upgrade and the cost of the Premier Life account, but she doesn't seem to remember much about this. Taking everything into account, I think it's likely Mrs C agreed to upgrade her account and she was aware she had a choice at the time. But I understand why she might not remember this now.

I've not seen anything which suggests Mrs C was given personalised advice about the account. So Barclays didn't have to assess whether it was suitable for her. I think it's more likely that Mrs C was given some information about the packaged account so she could decide for herself whether she wanted the upgrade.

Barclays had to give Mrs C clear enough information so she could make an informed choice about the account. Based on what I've seen, I think it's likely there was some form of discussion about the main benefits of the Premier Life account. Mrs C has told us she didn't use any of the benefits until 2014 but Barclays' records indicate she made several call-outs for car breakdown assistance in 2010. Mrs C has told us she had duplicate car breakdown cover at the time. But nevertheless, she did use the cover provided by the packaged account. So I think she was aware she'd taken an account with this benefit and it was up to her to decide if she wanted to keep her existing car breakdown cover.

Our adjudicator thought that Mrs C had wanted a packaged account, but it was unlikely she would have taken a Premier Life account had she been given clearer information at the time. Our adjudicator thought Mrs C would have instead taken the Additions Active packaged account which came with most of the same benefits as the Premier Life account, but for a cheaper monthly fee. I agree. From what I've seen, and given what Mrs C has told us about her circumstances at the time, I don't think she needed the extra benefits that the Premier Life account provided. And had it been made clear to her that she could have most of the benefits she appears to have been interested in with an Additions Active account, I think she would have chosen to upgrade to this, cheaper, packaged account.

Barclays says that Mrs C later registered for airport lounge access, a benefit which was only available with the Premier Life account. Mrs C says she didn't realise this came with the Premier Life account. And that when she mentioned to Barclays that she was going on holiday, the representative suggested she use the airport lounge. It doesn't seem likely to me that Mrs C decided to upgrade to the Premier Life account, and pay £25 per month, primarily because she wanted to use an airport lounge when she went on holiday. I think it's likely she registered for this benefit because she was told she was entitled to do so - but it wasn't the reason she took the Premier Life account.

Mrs C thinks her packaged account was mis-sold because she didn't use any of the benefits for some time and she says she didn't have clear enough information about the account when she upgraded. I accept that Barclays might not have given her clear enough information about all the details of the packaged account when she upgraded, but I don't think this would have made a difference to Mrs C's decision to take a packaged account at that time. However, I think that, if Barclays had given her clearer information that most of the benefits she was interested in at the time also came with the Additions Active account, then it's likely she would have taken this account and not the Premier Life account. I don't think it's likely Mrs C would've agreed to pay for the more expensive Premier Life account, if she'd understood she could pay less and still have most of the same benefits she wanted.

I've thought very carefully about everything that Barclays and Mrs C and her CMC have told us. For the reasons I've explained, I think it's likely Mrs C would have upgraded to an Additions Active packaged account and not to the Premier Life account. So I am partially upholding Mrs C's complaint and directing Barclays to pay her fair compensation as set out below.

### **fair compensation**

Barclays should put Mrs C in the financial position she would've been in, if she'd upgraded to the Additions Active account instead of to the Premier Life account. So Barclays should:

- refund and pay to Mrs C the difference between what she would have paid for an Additions Active account and what she paid for her Premier Life account; and
- add interest at 8% per year simple on each of these differences from the date the account fees were paid to the date of settlement<sup>†</sup>;

If Mrs C has made any additional savings (over and above those she would have made when holding an Additions Active account) on the costs of her overdraft as a result of the Premier Life account, and if Barclays can quantify these extra savings, and provide Mrs C with details of these calculations, then Barclays may deduct these extra savings from any compensation due to Mrs C.

<sup>†</sup> I understand Barclays is required to deduct basic rate tax from this part of the compensation. Whether Mrs C needs to take any further action will depend on her financial circumstances. More information about the tax position can be found on our website.

Mrs C should refer back to Barclays if she is unsure of the approach it has taken and both parties should contact HM Revenue & Customs if they want to know more about the tax treatment of this portion of the compensation.

### **my final decision**

For the reasons I've explained, I partially uphold this complaint. I direct Barclays Bank Plc to pay Mrs C compensation as set out above.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs C to accept or reject my decision before 9 November 2015.

Sharon Parr  
**ombudsman**