

complaint

Mrs E complains that Barclays Bank Plc mis-sold her two packaged bank accounts.

background

Mrs E's account was a free current account before it was first upgraded to an Additions account in 1999. It was again upgraded to an Additions Plus account in 2007.

Mrs E complained to Barclays about the sale of the accounts, It didn't agree it had done anything wrong. So she brought her complaint to this Service. One of our adjudicators has already looked into Mrs E's complaint and recommended that it shouldn't be upheld.

Mrs E doesn't agree with our adjudicator's assessment and so her complaint has come to me for 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. After giving Mrs E's complaint a lot of thought, I haven't seen enough to conclude that the packaged accounts were mis-sold to her. I know this isn't the outcome that she is looking for. But I hope that my explanation will help Mrs E understand how I've come to this conclusion.

Mrs E's main complaint is that she didn't consent to the upgrade of her accounts. She points out that Barclays doesn't have any signed application forms to prove that she did provide her consent to the upgrades of her account.

I accept that Barclays doesn't have any signed documents from Mrs E showing that she agreed to upgrade her account. It wasn't always a requirement of businesses to obtain written consent to the upgrade of an existing account. But in any event, the upgrades to Mrs E's account occurred many years ago. And so I'm not surprised that Barclays doesn't have any paperwork from the time.

For similar reasons it isn't surprising that Mrs E hasn't been able to provide us with some evidence she was hoping to obtain or that her memory of events may have faded. I don't doubt Mrs E has provided her honest recollections. But I'm mindful that memories can and do fade over so long a period. I note that Mrs E has told us several times that she closed her account with Barclays in 2008 and therefore couldn't have claimed on the car breakdown cover which came with her account in January 2010 – as Barclays says she did. But Barclays has provided statements showing that the account was still live after 2008 until March 2010.

I accept that Mrs E started to use her account differently after 2008. But some deposits were made into it and the overdraft - of over £1,800 - was paid off at the point it was closed in March 2010. And we've sent Mrs E details of the car breakdown call out, including the registration of the car involved. And she hasn't told us that this was nothing to do with her. So I think Mrs E's recollection of events may not be what it once was. But this happened more than six years ago and it isn't at all unusual for people to forget details over that length of time.

Where the evidence is unclear or there are conflicts between what the parties say, 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.

I mention above that Mrs E says that she didn't consent to upgrade her account. And she tells us that she remembers receiving something though the post which informed her about her account and which indicated that it was a privilege to have been selected for it. But Barclays says that both upgrades took place in branch. And from what I've seen – including a screenshot which shows that the Additions Plus account was upgraded in branch – I think it's more likely that the upgrades did take place at a branch. But I think that Mrs E may have forgotten some of the details.

And the account fee was referred to as “account fee” on Mrs E's statements. She'd previously held a free account. So I think that if Mrs E had not agreed to the upgrade she would've questioned why she was now paying for her account. I accept it's possible that Barclays did upgrade her account without telling her. But taking everything together, it's more likely she agreed to take the packaged accounts because she thought there was something about them which she might find useful. And she didn't have to want or need all the benefits to find the accounts - as packages - attractive.

At the time of the first upgrade to the Additions account Mrs E was regularly using the overdraft facility she had on her free account. I can see from her statement that she was charged a monthly overdraft usage fee of £5. And Barclays charged interest on Mrs E's overdrawn balances. But the account fee for the Additions account was £6. And consumers with an Additions account didn't need to pay the overdraft usage fee and they weren't charged any interest on the first £100 of their overdraft.

After the upgrade Mrs E paid the Additions account fee which was referred to as the “account fee” on her statements. And - as she had the packaged account - the first £100 of overdraft usage was interest free. The Additions account also offered a number of other benefits. These included purchase and card protection, extended warranties on domestic appliances and £10,000 accidental death benefit. I think it's likely that Barclays discussed these benefits with Mrs E as they would've made the account appear more attractive.

And given the way Mrs E was using her account and her circumstances at that time it's likely she opted to upgrade. This is because, for the additional £1 cost of the account fee compared to the overdraft usage fee, she saved on overdraft interest and received additional benefits.

By the time of the second upgrade to the Additions Plus account in 2007 Mrs E's overdraft facility had increased to £1,800. And she was using this regularly. By now the Additions account fee had increased to £11.50 per month. And some of the benefits had changed. Mobile phone insurance, car breakdown cover and home emergency cover had been added. And the interest free overdraft benefit had increased to £250.

The Additions Plus account cost £14.50 per month. It offered similar benefits to the Additions account. But it also provided worldwide travel insurance. As this was the main difference between the two accounts I think that it would've been discussed. Mrs E tells us that she travelled occasionally and I can see that in 2008 she appears to have made a cash withdrawal whilst abroad. Mrs E says she took stand-alone travel cover when she booked her holidays. But I think that for an extra £3 per month it's likely that Mrs E would've thought the Additions Plus account to be relatively good value since it offered her something that she could use.

Taking everything together I don't think I can safely conclude that Barclays upgraded Mrs E's account on two occasions without her consent. I think she opted to upgrade as she found the benefits they offered attractive for the cost.

As well as offering Mrs E a fair choice about taking the accounts, Barclays had some other obligations. If it recommended them to her, it had to take steps to ensure they were appropriate for Mrs E in her circumstances. And whether or not it made a recommendation, it had to give Mrs E enough clear information about them so she could make an informed decision about whether they were right for her.

As Barclays was trying to sell the packaged bank accounts to Mrs E, it's likely it would've told her about the headline benefits so as to make them appear attractive and good value for money. I'm open to the possibility that Barclays may not have told Mrs E all the details about those benefits. But there doesn't appear to be anything about Mrs E's circumstances at the time which would've meant she couldn't have used them. So even if there were some failings I don't think Mrs E would've made a different decision even if she'd been given better information.

I acknowledge that Mrs E will be disappointed by my decision, but I'm not persuaded to uphold her complaint.

my final decision

For the reasons outlined above I don't uphold Mrs E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 1 July 2016.

EJ Forbes
ombudsman