Financial Ombudsman Service

complaint

Ms B complains that Barclays Bank Plc mis-sold her an Additions packaged bank account.

background

As Ms B's complaint to Barclays wasn't resolved to her satisfaction she brought it to this Service. One of our adjudicators has already looked into it and recommended that it shouldn't be upheld.

Ms B doesn't agree with that assessment and has asked – as she's perfectly entitled to – for her complaint to be considered afresh by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with our adjudicator and I don't uphold Ms B's complaint. I will explain my reasons below.

At the outset I want to say that I don't doubt Ms B has provided her honest recollections. But I'm mindful that memories can and do fade over time. And where the evidence is unclear or there are conflicts between what the parties tell us, 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 is more likely to have happened.

Ms B's complaint is that she was told by the Barclays' advisor that the Additions account was the only one which would provide credit facilities – so if she wanted a loan or overdraft in the future she would need this account. She says she had never used any of the benefits which came with the account.

Ms B appears to think that she took the Additions account when she first opened her account with Barclays. But it has shown us that she opened her account in 1990 and at that stage it didn't offer packaged accounts. I understand that it didn't provided packaged accounts until early 1996. The earliest bank statements, we have for Ms B's account, show that in 1998 she was paying a fee for her account. So I'm satisfied that she upgraded her account at some point in between 1996 and 1998. I don't think she is correct in her recollection about opening her account as an Additions account. This isn't surprising given the number of years which have since passed.

Barclays has also provided some account history. I can also see from this that Ms B had taken personal loans before she upgraded – so she would've been aware that she didn't have to have a paid-for account to obtain loans. And I can see from Ms B's statements from 1998 onwards that she used her overdraft facility regularly. So on balance I think it's likely she also used it before she upgraded.

As Ms B had a free account before the upgrade and had access to credit facilities, I don't think it's likely she was told that she had to have the Additions account to get a loan or overdraft. But I do think there was probably some conversation about her overdraft. This is because when the Additions account was launched I understand that it cost £5 per month and provided a number of benefits. These included things such as card protection, life insurance and a will writing service. It also provided a preferential overdraft benefit.

I think it's likely that the overdraft related benefits would've been of importance to Ms B. For customers with a free account there was a £5 monthly overdraft usage fee but Barclays tells us that this was waived for Additions account holders. So in effect this means that for someone who used their overdraft facility (as I think Ms B was doing) she would've paid the same monthly fee but had the benefit of the additional features of the Additions account.

Taking all of this together I think that Ms B chose to upgrade her account because she found at least some of the benefits to be attractive. I don't think that Barclays failed to provide her with a fair choice. And there doesn't seem to have been anything about the benefits which would've meant Ms B couldn't have used them.

Ms B is unhappy that she has never used any of the benefits which came with the account. As she regularly used her overdraft she has saved money because of the account offered an interest free overdraft for up to £100 and reduced interest rates above that. I accept that Ms B may not have been interested in the car breakdown cover introduced as a benefit in 2002 but there doesn't seem to have been anything about Ms B which meant that she couldn't have relied on other benefits which came with the account at the time she upgraded. And sometimes benefits provided by a packaged account aren't useful to the account holder but this is often because the accounts aren't usually tailor-made. The fact that a customer didn't use all the benefits doesn't mean that the account was mis-sold.

Ms B may feel that her account wasn't value for money. But this is with the benefit of hindsight. And I think she knew she was upgrading to an account with benefits and was aware of the cost which seems to have been acceptable to her at the time. And although she seems to have forgotten that she had held a free account – I think she was aware at the time of the upgrade that free alternatives were available. And she kept the account for many years even though the fee increased from time to time. This suggests she remained satisfied with it. Even though she might not have used the benefits extensively – and so feels she hasn't had good value - it isn't sufficient for me to uphold her complaint.

Taking all of this together, I'm not persuaded that Barclays mis-sold Ms B the Additions account.

Ms B is also unhappy that over the years the account fee has increased and insurances added "automatically" without there being any assessment of suitability for her.

I can see that the Additions account has changed but Barclays tells us that it has sent Additions account holders details about the changes. I mention above that car breakdown cover was added. And later mobile phone insurance was added. Ms B tells us that she never travelled and so didn't need travel insurance but this hasn't been a benefit of the Additions account.

As the addition of benefits is likely to have made the account seem more attractive I accept Barclays probably did send mailings to its customers about these improvements. And it has provided copies of the account summaries it says were sent to Ms B in more recent years. She lived at the same address for a long time. And whilst I accept it's possible that some of the mailings may have gone astray I don't think that that they all did. So if Ms B wasn't aware of the changes on her account I don't think I can safely hold Barclays responsible. And I think that after Ms B upgraded her account it was for her to check that it remained suitable for her - not Barclays.

Another of Ms B's complaints is that she has on several occasions written to Barclays to ask it to downgrade her account. It says it hasn't been able to find any evidence of contact from Ms B asking her to downgrade. It has sent me the account contact notes and I can see that she raised other complaints with it which are logged and were addressed. For example in 2001 she wrote to Barclays to complain about a charge on her account and the notes say she was going to the press about the issue. And in 2014 she called about a disputed transaction. Barclays also received her letter about this complaint. So Barclays has records of contact made by Ms B over the years noting her dissatisfaction about certain things. I also note that in her letter about this complaint she didn't mention that she had written to it about downgrading her account and hadn't received a response.

It seems Ms B was sufficiently confident to complain when she was unhappy. So in light of the evidence provided – whilst I don't doubt Ms B may have thought about downgrading her account - I haven't seen sufficient to persuade me that she did write to Barclays to ask it to downgrade her account and that it failed to respond to her.

I'm sorry that this won't be the outcome Ms B was hoping for. But having considered everything I'm not persuaded to uphold her complaint.

my final decision

For the reasons outlined above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 5 February 2016.

EJ Forbes
ombudsman