

complaint

Mr H has complained that Barclays Bank plc ("Barclays") mis-sold him an Additions Plus packaged bank account in 2008.

Mr H has used a claims management company (CMC) to bring this complaint to us.

background

Mr H also complained about the sale of an Additions account that took place in 2005. One of our adjudicators looked into the sale of both of Mr H's packaged accounts. And having done so, she didn't think that the Additions account was mis-sold. Both Barclays and Mr H's representative have accepted this. But the adjudicator also thought that the Additions Plus account was mis-sold to Mr H.

Barclays didn't agree that it mis-sold the Additions Plus account and it asked for an ombudsman to look at this sale and make a final decision. As both parties have accepted the adjudicator's view on the sale of the Additions account, it seems to me the only matter that remains in dispute is the sale of the Additions Plus account. So my decision is only looking at the sale of the Additions Plus account that took place in 2008.

my findings

I've considered all the available evidence and arguments and I've decided what I think is fair and reasonable in the circumstances of this complaint. We've explained how we handle complaints about packaged bank accounts on our website. And I've used this approach to help me decide Mr H's complaint.

Having carefully thought about everything I've been provided with, I think that Mr H's complaint should be upheld. And I'd like to explain why.

Barclays has said that it recommended the Additions Plus account to Mr H. This means that it had to assess his circumstances and ensure the selected account was a reasonable fit for them *before* recommending it to him. Although Barclays has said this upgrade was sold over the phone, it hasn't provided me with a recording of the call (this isn't unexpected given how long ago the sale took place), or any scripts that its advisors might have used, or even some form of sales process document.

So I don't know how far it enquired into Mr H's circumstances before it made its recommendation. And having thought about the particular circumstances of this case, I think that there may have been some shortcomings in Barclays' assessment of Mr H's circumstances which resulted in an unfair and inappropriate recommendation being made to him.

I say this because Barclays' defence of this complaint appears to be based on the fact that Mr H was attracted to some of the benefits and he was able to use them. But to me it doesn't look like that the account chosen was the fairest or most appropriate match available when the benefits Mr H might have wanted are taken into account. The core benefit on the Additions Plus account which set it apart from the cheaper ones in Barclays' range was annual worldwide travel insurance. And it seems to me that, in this case, the recommendation of the Additions Plus account would only have been fair and appropriate if

the advisor had established a clear and identifiable need for annual worldwide travel insurance.

Mr H has told us that he didn't travel abroad and he didn't have any intention of doing so when the Additions Plus account was recommended to him. Barclays initially referred to a number of foreign currency transactions on Mr H's statements, a declined travel insurance claim and a number of trips taken within the United Kingdom ("UK") to support its view that there was a need for the cover included on the account.

But our adjudicator has pointed out that the transactions appear to have been for online purchases. And Barclays appears to have accepted this. So these don't suggest that Mr H travelled abroad. And the declined claim on the travel insurance policy was because Mr H didn't have pre-booked accommodation during a UK trip – I understand that Mr H's UK trips were usually made on this basis. Equally, I don't think that travel within the United Kingdom demonstrates an intention to travel abroad or crucially a need for an annual travel insurance policy either – let alone one with worldwide cover.

So as Barclays hasn't provided me with enough to show me that Mr H had a need for an annual worldwide travel insurance policy, I don't think that the recommendation of the Additions Plus account was a reasonable fit for Mr H's particular circumstances at the time. And this means I think that Barclays made an unfair and inappropriate recommendation to Mr H. So Barclays should put things right.

what Barclays should do to put things right

To put matters right, Barclays should put Mr H back into the position he would've been in, if it hadn't made an unfair recommendation to him in 2008. I think that Mr H would've stayed on the Additions account if Barclays hadn't made an unfair recommendation to him. So Barclays should:

- refund and pay to Mr H the difference between fees he paid for the Additions Plus account and the fees he would've paid if he'd remained on the Additions account; and
- add interest at 8% per year simple on each of the above fees from the date he paid it to the date of settlement[†];

If Barclays is able to work out any *additional* savings Mr H has made from holding the account **and** it can show these calculations to him, it may, if it wants, deduct this additional saving from any compensation that is paid.

[†]HM Revenue & Customs requires Barclays to take off tax from this interest. Barclays must give Mr H a certificate showing how much tax it's taken off if he asks for one.

my decision

For the reasons given above, I uphold Mr H's complaint. Barclays Bank plc should pay Mr H redress as set out above.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before 15 February 2016.

Jeshen Narayanan
ombudsman