

complaint

Mr and Mrs W complain that Barclays Bank PLC sold them a Packaged Bank Account (PBA) on the basis it included an interest-free overdraft, which it didn't.

background

Mr and Mrs W say they opened a PBA in 1999 because they were told it included a £5,000 free overdraft with the monthly fee. In 2015, Mr W says he noticed he was being charged interest on the overdraft and complained to Barclays. Barclays upheld his complaint and refunded the monthly fees (plus 8% interest) totalling £3,288.64. Mr and Mrs W say they want the overdraft interest and charges refunded too, but Barclays did not agree.

Our adjudicator did not recommend the complaint was upheld. He explained that Barclays only upheld the original complaint because, it says, it had no evidence to refute what Mr and Mrs W say they were told. He did not think it was reasonable that Mr and Mrs W had not noticed the charges in 16 years and found the refund already paid to be fair and reasonable.

Mr and Mrs W responded to say they never paid attention to statements and that, if Barclays agreed the PBA had been mis-sold, it should also agree the charges were wrongly applied.

my findings

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

Barclays upheld the PBA complaint, but it says it did so as it no longer had information about the discussion in branch. Given the passage of time, I don't consider that's unreasonable.

Nevertheless, I acknowledge Mr and Mrs W say they only agreed to the PBA because they were told the overdraft would be interest-free. So, assuming that to be the case, they had a choice of paying the monthly fee and receiving an interest-free overdraft or not paying the monthly fee and paying interest. By refunding the monthly charge, Barclays put Mr and Mrs W back in the position in which they'd have been had they chosen the second option. (Indeed, if Barclays had refunded interest, instead of the fees, Mr and Mrs W would have received less money.) I consider that to be fair and reasonable as, in no circumstances, would Mr and Mrs W have been paying no fee and receiving an interest-free overdraft.

So, although I acknowledge Mr W says he didn't pay much attention to his statements, and didn't notice the interest charges, I don't think Barclays needs to refund them.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs W to accept or reject my decision before 30 December 2015.

Amanda Williams

ombudsman