

complaint

Ms B has complained that Barclays Bank Plc ("Barclays") mis-sold her Additions and Additions Plus packaged bank accounts in 1999 and 2005.

background

I attach my provisional decision of 2 February 2016, which forms part of this final decision.

In my provisional decision I set out why I didn't intend to uphold Ms B's complaint. I invited both parties to make any further comments before I reached a final decision.

Following this, Barclays confirmed that it had nothing further to add. Ms B responded saying:

- she had two packaged accounts at the same time;
- it would have been cheaper for her to have bought breakdown cover separately;
- she bought travel insurance elsewhere;
- she didn't gain from anything else on the account.

my findings

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. We've explained how we handle complaints about packaged bank accounts on our website. I've used this approach to help me decide what to do about Ms B's complaint.

I've carefully thought about the further points that Ms B has made. But having done so, I remain of the opinion that the Additions and Additions Plus accounts weren't mis-sold. I'd like to explain why in a bit more detail.

I know that Ms B says that she had the Additions and Additions Plus accounts on this account and her joint account at the same time. But Barclays has already refunded the fees that Ms B paid for the Additions package that she had on her joint account. So Barclays has placed her in the position she would've been in if she'd only taken one Additions account. And the information I've seen suggests that Ms B didn't have the Additions Plus package on two accounts for any significant period of time. This sole account was switched to a fee free one shortly after the Additions Plus package was added to her joint account. So any period of overlap was only for a matter of days.

In terms of the benefits used, my provisional decision explained that Ms B didn't pay the £5 a month overdraft usage fee that she initially would've otherwise had to pay if she didn't take the Additions account in 1999. So I can't agree that she's only benefitted from the accounts by using the breakdown cover on one occasion. And while Ms B might no longer recall being told about the preferential overdraft terms – this is understandable given just how long ago the sale took place – it nevertheless remains the case that she did pay substantially less overdraft interest than she otherwise would've on a fee free account.

I don't know if it would've been cheaper for Ms B to have bought breakdown cover separately. But she also eventually registered a handset for the mobile phone insurance and registered for the card protection benefit too. And as explained in my provisional decision, I see no reason why Ms B couldn't have relied on the travel insurance included on the Additions Plus account either. As I think it's likely that she was told the account included travel insurance (and she had a need for this cover), I can't hold Barclays responsible if she

chose to buy cover elsewhere (after the recommendation was made), instead of relying on what was included on the account.

The benefit of hindsight may show that the accounts haven't proved to be value for money. But this is because Ms B hasn't had to claim on the policies. But insurance is there to provide reassurance and peace of mind that things will be taken care of should things go wrong. Thankfully things didn't go wrong for Ms B that often and as result she didn't have to claim on the benefits too many times. But that doesn't mean that there wasn't a risk that things could've gone wrong in the first place. And not needing to claim on the benefits that often doesn't, on its own, mean that Barclays' recommendation was unfair at the time it was made, or that the accounts were mis-sold.

I appreciate that this will be very disappointing for Ms B as I know that this won't be the result that she was hoping for. But I hope that she will understand the reasons for my decision and at least feel that her concerns have been listened to.

my final decision

For the reasons set out above and in my provisional decision of 2 February 2016, I don't uphold Ms B's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms B to accept or reject my decision before 8 April 2016.

Jeshen Narayanan
ombudsman

COPY OF PROVISIONAL DECISION

complaint

Ms B has complained that Barclays Bank Plc (“Barclays”) mis-sold her Additions and Additions Plus packaged bank accounts in 1999 and 2005.

background

Ms B has also complained about the sale of packages on a joint account that she holds with another party. But we’re looking at the complaints about those sales separately. So this decision is only looking at the sales of Ms B’s sole Additions account in 1999 and her sole Additions Plus account in 2005.

One of our adjudicators has looked into Ms B’s complaint already. She thought that Barclays hadn’t mis-sold the Additions account but that it had mis-sold the Additions Plus one. Barclays didn’t accept this. So the case has been passed to me.

my provisional findings

I’ve considered all the available evidence and arguments to provisionally decide what’s 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 Ms B’s complaint.

I’ve carefully thought about everything I’ve seen on this complaint. But having done so, I don’t intend to uphold Ms B’s complaint. I’d like to explain why.

Neither party appears to be disputing that Ms B was given a clear choice when taking these accounts. So I’ve looked at whether it was fair for Barclays to offer the packages to Ms B. As I think that Ms B most likely agreed to the packages, the crucial question I now need to think about is whether she could’ve used the benefits – not whether they’ve proved value for money over the years she had them.

I should start by saying I think it’s likely that Ms B would’ve been told about most, if not all, of the benefits on the packages in order to make them appear as attractive as possible. After all Barclays was trying to persuade her to have them when she most likely knew she didn’t have to. And the best way to do this would’ve been by telling her about what she’d get for the monthly fee.

At the time Ms B upgraded to the Additions account the main benefit was the preferential overdraft terms. Additions account holders didn’t have to pay the £5 a month overdraft usage fee that free account holders had to. They also received a £100 interest free overdraft buffer and a substantially reduced interest rate on amounts over this as long as they didn’t go over their agreed limit. And having looked at Ms B’s account ledgers, I can see that she used her overdraft regularly. Ms B benefitted quite a bit from the preferential overdraft terms and saved money as a result. So everything I’ve seen suggests that Ms B was eligible for and did use some of the benefits on this account. And as this is the case, I haven’t seen enough here to be able to say that Barclays mis-sold the Additions account to her.

Barclays has said it’s unsure how the Additions Plus account was sold to Ms B. So it doesn’t know if it recommended the more expensive account to Ms B. But I don’t think this makes too much difference here. I say this because even if Barclays had recommended the account

to Ms B it would've had to make a fair recommendation by taking adequate steps to ensure that it was a reasonable fit for her circumstances. And having thought about Ms B's wider circumstances and her actions since upgrading, I don't think that any possible recommendation of the Additions Plus to Ms B would've been unfair or inappropriate as she appears to have had a need for the main benefits included on this account.

At the time Ms B upgraded to the Additions Plus account the main insurance benefit that set this account apart from the cheaper ones in Barclays' range (and the Additions account Ms B already had) was travel insurance. Ms B has told us that she travelled fairly regularly and that she didn't hold this cover elsewhere. So I don't think it's unfair to say that Ms B had a need for travel insurance. And as she appears to have been under the age limit for the policy, was a UK resident and was registered with a doctor, I've seen no obvious reason why she couldn't have made a claim on the policy if she needed to.

Ms B also appears to have had a need for the mobile phone insurance that was included on the package too. Her eventual registration of a handset suggests that she found having this cover useful. Ms B also eventually registered for the card protection benefit and used the breakdown cover included on the package too. So while I've thought about what Ms B's said about having this cover elsewhere already, I think that she, eventually at least, ended up relying on what the account included. So it's difficult for me to say that any possible recommendation was unfair on this basis. Ms B also continued to benefit from preferential overdraft terms as the Additions Plus account also came with this. And given the way that Ms B was using her overdraft, I think that this is also something that proved useful to her.

At the time Ms B upgraded to the Additions Plus account, it was the cheapest in Barclays' range that included the benefits she appears to have most wanted and needed. And upgrading to the Additions Plus account was the most cost effective way for Ms B to have these benefits with Barclays at that time. So I think the Additions Plus account was a reasonable fit when taking into account Ms B's circumstances at the time. And based on what I've seen, I don't think that any possible recommendation of this account by Barclays would've been unfair or inappropriate.

Ms B may now, with the benefit of hindsight, believe that she hasn't benefitted from the accounts as much she had hoped and expected to when she initially took them out. And given what she might've read and heard about packaged accounts in general, I can fully understand why this might lead Ms B to believe that her accounts were mis-sold. But as explained earlier, I have to base my decision on what I think is most likely to have happened at the time of the upgrades and I can't use hindsight when reaching my conclusion.

I think it's likely that Ms B chose to upgrade having been told what the accounts came with. So although Ms B may now think they haven't proved to be value for money and she may be wondering why she took them in the first place – especially as the first of the sales took place more than fifteen years ago, I don't think Barclays did anything significantly wrong here.

I want to reassure Ms B that I've looked at all the information provided about her complaint. And I've thought about everything she's said. But having done so, and while I appreciate that this will be very disappointing for her, I don't, at the moment, think that Barclays mis-sold the packaged accounts to her. So I don't intend to say that Barclays owes Ms B any money.

my provisional decision

For the reasons I've explained, I don't intend to uphold Ms B's complaint.

If Barclays or Ms B have anything further to add before I issue a final decision they should ensure anything they send reaches me by 2 March 2016.

Jeshen Narayanan
ombudsman