

## **complaint**

Ms M has complained that Barclays Bank Plc ("Barclays") mis-sold her a Graduate Additions packaged bank account in 2006.

## **background**

Two of our adjudicators have looked into Ms M's complaint already and they didn't think that Barclays mis-sold the Graduate Additions account to her. Ms M disagreed and asked for an ombudsman to look at her complaint and make 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. 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 M's complaint.

I've carefully thought about everything I've seen on this complaint. And having done so, I don't think Ms M's complaint should be upheld. I'd like to explain why in a bit more detail.

I've started by thinking about whether Ms M was given a clear choice in taking the account. At this point, it may help for me to explain that I have to make my decision based on what I think is most likely to have happened. And in working out what I think is most likely to have happened, I have to think about everything I've been told together with everything else I've been provided with and see how this fits with what I do know. In other words, what I have to do, in this case, is decide what I think is most likely to have happened having weighed up what Ms M and Barclays have been able to provide me with.

Ms M's says she was told she had to move on to the Graduate Additions account because she was no longer eligible for her Higher Education account. But I have to think about what Ms M's told us in the context that the sale took place over a decade ago. I don't know what Ms M was told at the time. But it's my understanding that Ms M agreed to the Graduate Additions two years after she'd finished her higher education course. And this meant that Ms M account was no longer eligible for the Higher Education account at that time. So Ms M wouldn't have been misled if she was told she could no longer have her existing Higher Education account.

Ms M's account ledgers also show that she'd had a free account with Barclays in the past. So I think it's likely that Ms M would've known Barclays did free accounts and that she could've had one of those if that's what she really wanted. I accept Barclays may have offered the Graduate Additions account to Ms M. Indeed Ms M had an overdraft with quite a large agreed limit which she was using regularly at the time of the upgrade and the £5 monthly fee was always likely to be less than the monthly interest Ms M would've had to pay if she'd used her overdraft in the way she did on a free account. And as Barclays was likely to make less money from Ms M as a result of selling the Graduate Additions account to her, I think it's unlikely that it would've deliberately misled Ms M into thinking she had to have it.

So having thought about everything I've seen, I think it's most likely Ms M was given a clear choice on upgrading. And I think it's likely that she chose to upgrade to the Graduate

Additions account as she, at the time at least, was persuaded the benefits it included might prove useful to her.

Barclays says it recommended the Graduate Additions account to Ms M. This means it had to make a fair recommendation by taking adequate steps to ensure the account was a reasonable fit for Ms M's circumstances.

Having thought about Ms M's circumstances and her actions since upgrading, I don't think that Barclays recommending the Graduate Additions account to Ms M was wholly unfair or inappropriate. I say this because I think that Ms M appears to have had a want and a need for, at least one of, the main benefits on the account.

When Ms M upgraded some of the main benefits the Graduate Additions account included were an interest and fee free overdraft portion, breakdown cover and mobile phone insurance. Ms M's account ledgers show that she had used her overdraft in the period leading up to and after the upgrade. So I think it's likely that Ms M intended to use her overdraft in the period after taking the Graduate Additions account. And I think Ms M was always likely to save more than the amount of the monthly fee in overdraft interest. So I think a recommendation made on the basis of the preferential overdraft terms alone wasn't unfair.

I've seen that Ms M has said that she didn't need the other benefits. And she's also unhappy that our adjudicator relied on a mobile phone registration in 2014 as evidence Ms M wanted this cover. I accept that Ms M's handset registration doesn't show that she wanted and needed this cover some eight years earlier. But I don't think this makes a difference here as I think Ms M was always likely to recoup the cost of the monthly fee in interest savings alone.

Ms M's also said that she wasn't told the fee she was paying for the benefits on the account. And I'm open to the possibility that Ms M wasn't told absolutely everything she needed to know about each and every one of the benefits. But Ms M's also said she was sent information on the benefits. And the information she's suggested she received would've explained that she was paying a fee for a packaged account that included a number of benefits. I'm not saying Barclays didn't need to provide this information at the time of the sale because this is what it should've done.

That said I still need to think about what Ms M would most likely have done if things had gone as they should've (i.e. what would've happened if Ms M had been told the account fee was for all the benefits). And as Ms M kept the account after she should really have known about this, I can't say that clearer information would've made a difference to her decision to agree to the account. So it was up to Ms M to decide whether she wanted to use the benefits included in the package and I don't think her failure to do so, or her not needing all of them, means that the account was mis-sold.

I'd also add that the Graduate Additions account was the cheapest one, in Barclays' range which included the preferential overdraft terms I think Ms M wanted and needed at the time. And as I think there was a reasonable prospect of Ms M saving money overall, at the time the recommendation was made, I don't think it was unfair for Barclays to have recommended the Graduate Additions account in this case.

Ms M may now, with the benefit of hindsight, believe that she hasn't benefitted from the account as much as she'd hoped and expected to when she initially took it out. And given what she might've read and heard about packaged accounts in general, I can understand why this might lead her to believe her account was 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 sale and I can't use hindsight when reaching my conclusion. I think it's likely that Ms M chose to take the account after having been provided with, what on the face of things, looks to have been a reasonable recommendation. So although Ms M may now think that account hasn't proved to be value for money over the entire period of time she had it, this doesn't mean that it was mis-sold to her.

I want to reassure Ms M that I've looked at all the information provided about her complaint. And I've thought about everything she's said. Although having done so and while I appreciate that this will be very disappointing for her, I don't think that Barclays mis-sold the Graduate Additions account to Ms M. So I don't think it owes her any money.

### **my final decision**

For the reasons I've explained, I don't uphold Ms M's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms M to accept or reject my decision before 17 July 2017.

Jeshen Narayanan  
**ombudsman**