

complaint

Mrs H has complained that Barclays Bank Plc ("Barclays") mis-sold her Additions and Additions Active packaged bank accounts in 2001 and 2009.

background

One of our adjudicators has looked into Mrs H's complaint already. She didn't think that Barclays mis-sold the packaged accounts. Mrs H didn't accept this 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 Mrs H's complaint.

I've carefully thought about everything I've seen on this complaint. But having done so, I don't think Mrs H's complaint should be upheld. I'd like to explain why.

I've started by thinking about whether Mrs H was given a clear choice in taking the packaged accounts. 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 Mrs H and Barclays have been able to provide me with.

It looks like Mrs H upgraded to the Additions account from a fee free one that she'd had for a period of time. Mrs H's said she was told she had to upgrade to have an overdraft. I don't know what Mrs H was told when she was sold her account. But the information I've seen suggests that she already had an overdraft that she was able to use on her fee free account.

As one of the benefits on the packaged accounts was preferential overdraft terms - Additions account holders didn't have to pay the £5 a month overdraft usage fee free account holders had to and there were interest free overdraft portions as well as a substantially reduced interest rate on amounts over this on both packages - I think the salesperson may well have pointed out that Mrs H could save on what she'd pay if used an overdraft on her fee free account. And as this may have formed part of the discussion, I can understand why Mrs H may now think that having the packaged account and being able to have an overdraft were linked. But I don't think that the salesperson would've gone as far as saying that Mrs H had to have the packaged account to have an overdraft of any description.

So having weighed up what Mrs H's told us against everything else I've been told, I've not seen enough here to be able to safely say that Mrs H was told she had to upgrade in order to be able to have or keep an overdraft. And I think it's likely that, at the time, Mrs H would've known she could've kept her fee free account if that's what she really wanted to do. Having thought about everything I've seen, I think it's likely that Mrs H was given a clear choice on upgrading. And I think it's most likely that she chose to upgrade to the packaged accounts as she, at the time, thought the benefits it included might prove useful to have.

As I've found that Mrs H 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 Mrs H had them. I should start by saying I think it's likely that Mrs H 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 Mrs H 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 Mrs H's account ledgers, I can see that she has used the preferential overdraft terms too. So everything I've seen suggests that Mrs H 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 recommended the more expensive Additions Active account to Mrs H. So this means that it had to make a fair recommendation by taking adequate steps to ensure that it was a reasonable fit for her circumstances. Having thought about Mrs H's wider circumstances and her actions since upgrading, I don't think that Barclays recommending the Additions Active to Mrs H was unfair or inappropriate. I say this because I think that Mrs H appears to have had a need for the main benefits included on this account.

At the time Mrs H upgraded to the Additions Active account the main insurance benefit that set this account apart from the cheaper ones in Barclays' range (and the Additions account Mrs H already had) was travel insurance. Mrs H has told us that she never travelled. I accept that travelling within the United Kingdom ("UK") doesn't show a need for worldwide annual insurance cover. But Mrs H did make a successful claim on the policy and this was when she was due to go abroad.

So I don't think it's unfair to say that Mrs H 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. And although Mrs H has referred to the limitations and exclusions on the travel insurance and not having been asked any questions. But having looked at her circumstances, I've not seen anything to suggest that she would've been significantly affected by any of the main limitations and exclusions on the travel insurance.

I've seen that Mrs H's said that she went on to buy travel insurance elsewhere. But I don't think that she had this cover at the time of the recommendation. So I don't think that it was unfair for Barclays to have recommended an account that included travel insurance. And as I think it's likely that Mrs H knew the Additions Active account included travel insurance – she bought the alternative cover after she made a successful claim on the policy included with the account, I can't hold Barclays responsible if Mrs H decided to buy cover elsewhere instead of relying on what the account provided.

Mrs H also appears to have had a need for the breakdown cover and mobile phone insurance that was included on the package too. Her registration of a handset and being able to make a successful claim as well as her use of the breakdown service appear to suggest that she found having this cover useful. Mrs H also registered for the card protection

benefit included on the package too. As previously mentioned the Additions Active account also came with preferential overdraft terms. And given the way that Mrs H was using her overdraft, I think that this is also something that proved useful to her.

There were other benefits included on the Additions Active account. And while Mrs H may not have had a want or a need for each and every one of them, the benefits on packaged accounts come as overall packages. And at the time, it wasn't possible for Barclays customers to create their own packages by picking and choosing the benefits they most wanted. When Mrs H upgraded to the Additions Active 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 Active account was the most cost effective way for Mrs H to have these benefits with Barclays at that time. So I think the Additions Active account was a reasonable fit when taking into account Mrs H's circumstances at the time. And based on what I've seen, I don't think that Barclays' recommendation was unfair or inappropriate.

Mrs H 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 Mrs H 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 Mrs H chose to upgrade having been told what the accounts came with. So although Mrs H 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 fifteen years ago, I don't think Barclays did anything significantly wrong here.

I want to reassure Mrs H 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 think that Barclays mis-sold the packaged accounts to her. So I don't think it owes Mrs H any money.

I've seen that Mrs H has said she's unhappy at her overdraft charges. But I can't see that this is something that she's spoken to Barclays about before. And as I can only look at a complaint once the financial business concerned has had a chance to put things right, Mrs H should speak to Barclays first if she wants to take this matter further.

my final decision

For the reasons I've explained, I don't uphold Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs H to accept or reject my decision before 22 February 2016.

Jeshen Narayanan
ombudsman