

complaint

Mr S has complained that Barclays Bank Plc ("Barclays") mis-sold him Additions and Additions Plus packaged bank accounts in 2002 and 2005.

background

Mr S also complained about the sale of an Additions account that took place in 2001. But we've explained that we can't look at the complaint about the sale of that account as it was made too late. So this decision is only looking at the sale of the Additions account that took place in 2002 and the Additions Plus account that took place in 2005.

One of our adjudicators has looked into Mr S' complaint already and she didn't think that Barclays mis-sold the packaged accounts to him. Mr S didn't accept this and asked for an ombudsman to look at his 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 Mr S' complaint.

I've carefully thought about everything I've seen on this complaint. But having done so, I'm not going to uphold Mr S' complaint. I'd like to explain why.

I've started by thinking about whether Mr S was given a clear choice in taking these 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. So in order to uphold Mr S' complaint I'd need to be persuaded that what he's told me is most likely what happened

It looks like Mr S upgraded to the Additions account from a fee free one that he'd only returned to a few months earlier. Mr S has said that he was told he had to upgrade in order to get an increase on his overdraft limit. He's also questioned why he would have agreed to upgrade to a package that he thought wasn't right for him only a few months earlier if he'd been given a choice. But this sale took place nearly fifteen years ago and recollections of events can fade with time. And I have to think about what he's told us in this context.

Barclays hasn't been able to confirm whether Mr S successfully applied for an overdraft limit increase around the time he upgraded in 2002. But given the length of time that's passed, I don't think that's unusual. Having looked at Mr S' account ledgers at the time, I think it's possible that Mr S did successfully apply for an overdraft limit increase at the time he upgraded his account, as there does appear to be some increased overdraft usage after this point. But I don't think it necessarily follows that Mr S only upgraded to secure the overdraft limit increase. I say this because one of the main benefits of the Additions account was the £250 interest free overdraft portion *and* the substantially reduced interest rate on amounts over this as long as the account holder stayed within their agreed limit.

A customer who was increasing their overdraft limit to a substantial amount and intended to use it regularly as Mr S has suggested, may well have chosen to upgrade as they'd be able to make use of this benefit. And someone who was intending to use their overdraft more heavily and more regularly going forward could have decided that the account might now prove better value than it had done previously. So I don't think Mr S switching back to a fee free account a number of months earlier is, on its own, enough to show that he didn't want the account in October 2002 as, by his own admission, his circumstances had changed by then.

It's likely that the salesperson would have pointed out that Mr S would pay less interest than he would've otherwise done by taking out the Additions package, if he used his overdraft to around his agreed limit and regularly. Mr S has also told us that he's significantly increased his overdraft limit since then and he hasn't had to take out packaged accounts on those occasions. So while I've carefully thought about what Mr S has said to us, I haven't seen enough to be able to say that he only upgraded because Barclays told him that this was the only way he'd be able to get his overdraft limit upgraded. There is another reason he may have upgraded – he'd pay less *interest* than he otherwise would've by having the Additions account and he'd also have access to the other benefits of the account.

I've also thought about what Mr S has said about not agreeing to the Additions Plus upgrade. I spoke to Mr S about this point and I fully accept that Mr S hasn't been a user of Barclays' phone banking service at any stage. But we both accepted that it's possible Barclays may have contacted him about the Additions Plus account – after all it had his contact details – and that it is possible that the account may have been sold this way. The information I've been provided with by Barclays also suggests that the account was sold over the phone. I've got no reason to doubt the information I've been provided by Barclays saying that it sold this account over the phone, because this means it would've recommended the Additions Plus package to Mr S. So it would've had to make sure the package was right for him as a result. And I don't think that Barclays would place this higher test on itself unless the information it had actually showed that it sold the account over the telephone.

I'm also mindful that Mr S registered a handset for the mobile phone insurance – albeit a number of years after the sale – and this benefit was never included on the Additions package during the time he held the account. Indeed it wasn't even included on the Additions Plus account at the time he upgraded either – it was added a few months later. This suggests that he must've read some information confirming what he had to do to be able to make a successful handset claim on the policy and this documentation would also have made it clear that he now had the Additions Plus, rather than the Additions account.

I accept that Mr S may not have read the literature in any great detail. And I can understand why he might think it's unfair to point to something happening so long after the sale as being indicative of his agreement to the package. But I have to take into consideration all issues and I've not limited my thoughts to his registration of the mobile phone. Having thought about everything, including everything that Mr S has said, I do think it's most likely that he did agree to his account being upgraded all of those years ago.

Having thought about everything I've been provided with and taken it all together, I've not seen enough to be able to agree that Mr S wasn't given a clear choice on taking the accounts, or that he didn't agree to the upgrades on both occasions.

As I've not upheld Mr S' complaint on the basis that he wasn't given a choice, the crucial question I now need to think about is whether he could've used the benefits – not whether they've proved value for money over the years Mr S had them. I should start by saying I think it's likely that Mr S 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 him to have them. And the best way to do this would've been by telling him about what he'd get for the monthly fee.

From what Mr S has told us the Additions account was sold in branch. It's my understanding that Barclays' usual *in-branch* sales practice didn't involve providing personal recommendations to customers. And I haven't seen anything in this case, such as a *fact find* document or any other indication that an assessment of Mr S' circumstances took place, that would suggest a personalised recommendation was made to Mr S. So I don't think that the Additions account was recommended to Mr S. This means that it was up to Mr S to decide if the package was right for him by thinking about what it included and anything else he may have had elsewhere.

Mr S did use some of the benefits on this package. As previously explained, the account came with an interest free overdraft portion and a substantially reduced interest rate on agreed amounts over this. I can see that Mr S has made use of his overdraft and because he had the Additions account he's paid less interest when he has used it. I've seen that Mr S has referred to his account ledgers and has questioned the amount of the savings. But as Mr S' overdraft usage also increased after the upgrade, I don't think that a comparison between how much he paid before the upgrade and after it is helpful here. The amount of interest he paid did reduce after the upgrade and as the reduced rate was a benefit of the account, I think it's something that Mr S is most likely to have received.

At the time Mr S upgraded the other main benefit included on the Additions package was breakdown cover. From what Mr S has told us, it looks like he had a need for this cover as he was driving and owned a car at the time. I know that Mr S has said that he had this cover already. But I've looked through his account ledgers and can't see anything to confirm this – although I do accept that he may have been paying for this by other means. In any event, as the account wasn't recommended and I think it's likely that Mr S was told about the benefits on the account, it was up to him to cancel any cover he had elsewhere and instead rely on what the account provided. So as Mr S appears to have had use of the main benefit he upgraded for and he could've used the other one, I can't say that it was unfair for Barclays to offer him the account or that it mis-sold it to him.

I now turn to the sale of the Additions Plus account. From what I've seen, it looks like Barclays recommended this account to Mr S. This means that it had to make a fair recommendation by taking adequate steps to ensure that the selected account was a reasonable fit for his circumstances. Having thought about Mr S' wider circumstances and everything that he's said, I don't think that Barclays recommending the Additions Plus account was unfair or inappropriate. I say this because I think that Mr S appears to have had a need for some of the main benefits on this account.

At the time Mr S upgraded, the main insurance benefit that set this account apart from the rest of the cheaper accounts in Barclays' range (including the Additions one he already had) was travel insurance. So I think that the travel insurance is likely to have taken up most of the discussion. And having looked at Mr S' account ledgers, I've seen that the upgrade took place not too long before airline tickets were booked.

I know that there has been some debate over whether tickets were for Mr S or his girlfriend at the time and her friends. In truth I don't know who these tickets were purchased for. And it's not something that anyone can be expected to provide supporting evidence on so many years after the event. Barclays had identified travel purchases in advance of the upgrade - it had seen airline ticket purchases as well as foreign currency transactions before the upgrade. So I don't think it was unfair for Barclays to have approached Mr S about this account in the first place. And if Mr S wasn't purchasing these tickets for himself, I would've expected him to have told the advisor that he didn't need travel insurance at that point.

In any event, Mr S has told us that he did eventually go on to travel. Sometimes he had cover through work but not all of the time. And as he appears to have been within the age limits for the policy, was a United Kingdom resident and was registered with a doctor, I've seen no obvious reason why he couldn't have made a claim on the policy if he needed to. So having thought about everything it's difficult for me to say that it was unfair for Barclays to recommend an account including travel cover. Especially as by this stage the monthly fee on the Additions package had significantly increased and the difference in fee between the Additions and Additions Plus accounts wasn't all that much.

There were other benefits included on the Additions Plus account. Such as the preferential overdraft terms that Mr S continued to benefit from. And while Mr S may not have had a want or a need for each and every one of the other benefits on the account, the benefits on packaged accounts come as overall packages. I know that Mr S has said that he ended up having a number of these benefits twice when he started a new job in 2012. But the advisor couldn't have known that this would happen when they recommended the account all those years earlier. And it was open to Mr S to switch back to a fee free account once he had these benefits elsewhere.

When Mr S upgraded to the Additions Plus account, it was the cheapest in Barclays' range that included the benefits he was, at the time, most likely to use. And upgrading to the Additions Plus account was the most cost effective way for Mr S to have these benefits with Barclays. So I think the packaged account was a reasonable fit when taking into account Mr S' circumstances at the time. And based on what I've seen, I don't think that Barclays' recommendation was unfair or inappropriate.

Mr S may now, with the benefit of hindsight, believe that he hasn't benefitted from the accounts as much he had hoped and expected to when he initially upgraded. Given what he might've read and heard about packaged accounts in general, I can fully understand why this might lead Mr S to believe his accounts were mis-sold. But as I explained earlier, I have to base my decision on what I think is most likely to have happened at the time of the upgrades. I can't use hindsight when reaching my conclusion. What I have to do is make a judgement call on events that took place quite a long time ago and with limited information. But to uphold a complaint I've got to be able to say that, on balance, it's more likely that the accounts were mis-sold. And in this case, I just haven't seen enough to be able to safely say that's the case here.

So although Mr S may now think that the accounts haven't proved to be value for money and he may be wondering why he took them in the first place, I haven't seen enough here to be satisfied that Barclays did something substantially wrong when it sold him these accounts. Although I appreciate that this will be very disappointing for Mr S as he's clearly put a lot of effort into providing us with information, I hope that he will understand that I have listened to all he has told me and understands the reasons for my decision not to uphold his complaint.

I've looked at all the information provided about Mr S' complaint and I've thought about everything he's said. While I appreciate that this will be very disappointing for him, I've not seen enough to be able to say that Barclays mis-sold the packaged accounts to him so I don't think it owes Mr S any money.

my final decision

For the reasons I've explained, I don't uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 9 March 2016.

Jeshen Narayanan
ombudsman