

complaint

Mr Q and Miss L have complained that Barclays Bank Plc (“Barclays”) mis-sold them Additions Plus and Premier Life packaged bank accounts in 2006 and 2010.

background

One of our adjudicators has looked into Mr Q and Miss L’s complaint already. And she didn’t think that Barclays mis-sold the packaged accounts. Mr Q and Miss L didn’t accept this and asked for an ombudsman to look at their 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 Q and Miss L’s complaint.

I’ve carefully thought about everything I’ve seen on this complaint. But while I know this will come as a disappointment to Mr Q and Miss L, I don’t think that Barclays mis-sold the packaged accounts to them. I’d like to explain why I think this is the case in a bit more detail.

I’ve started by thinking about whether Mr Q and Miss L were given a 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 Mr Q and Miss L and Barclays have been able to provide me with.

The information I’ve seen suggests that Mr Q and Miss L’s account was opened as a fee paying Additions Plus account. But it’s common knowledge that fee free accounts are widely available in the United Kingdom (“UK”). And the information I’ve seen suggests that Mr Q already had a fee free account with Barclays. I’ve seen what’s been said about this being Miss L’s first account in the UK and that she was bullied and forced into taking the account. But that doesn’t explain the upgrade to the more expensive Premier Life account. And the application form for this upgrade was signed by Mr Q too. So while I’ve thought about what Mr Q and Miss L have said, I haven’t seen enough to be able to safely say that they only took the accounts because Miss L was left in a position where she didn’t have a real choice.

Having thought about everything I’ve seen, I think it’s likely that Mr Q and Miss L were given a clear choice on taking the packaged accounts. And I think it’s most likely that they chose to take them on both occasions as they, at the time at least, thought that the benefits included might prove useful to have.

As I’ve found that Mr Q and Miss L most likely agreed to the packages, the crucial question I now need to think about is whether they could’ve used the benefits – not whether hindsight shows that the accounts haven’t proved value for money.

Barclays has said that as the accounts were sold in branch a recommendation wouldn’t have taken place. And I haven’t seen anything to suggest that a detailed assessment of Mr Q and

Miss L's circumstances was carried out at the time of either sale. So I don't think that Barclays recommended the accounts to Mr Q and Miss L. This means that Barclays didn't have to check if they were right for them and it was up to Mr Q and Miss L to do this by thinking about what the account came with and their circumstances at the time.

why I don't think that the Additions Plus account was mis-sold

At the time Mr Q and Miss L took out the Additions Plus account, the main benefits included on the package were travel insurance and breakdown cover. And having looked at their circumstances at the time, I think that Mr Q and Miss L could've found these benefits useful. Mr Q and Miss L have told us that they travelled regularly at the time they took out the account. As they appear to have been within the age limits for the policy, were UK residents and were registered with a doctor, I've seen no obvious reason why they couldn't have made a claim on the policy if they needed to. And what they've told me leads me to think that the travel insurance may well have been one of the main reasons why they took the account out.

I've seen what Mr Q and Miss L have said about not being told that trips longer than 31 days wouldn't be covered. I don't know what Mr Q and Miss L were told at the time, but it is fairly standard for most annual travel insurance policies to have a maximum trip duration length. So I don't think that this was a term that needed to be specifically drawn to their attention, especially as Barclays wasn't recommending the account after having reviewed Mr Q and Miss L's circumstances. And from what we've been told, it looks like the majority of Mr Q and Miss L's trips abroad would've been covered anyway. So I don't think it was unfair for Barclays to have sold the account for this reason.

Mr Q and Miss L also used the breakdown recovery service – even though they've said that they had this elsewhere. As they used the service that was included on the account, I can't really say that they didn't find having this cover useful, or that they weren't told it was included on the account either. So the information I've seen suggests that they were eligible for and could've used enough of the benefits included on the Additions Plus account.

why I don't think that Premier Life account was mis-sold

The main difference between the Additions Plus account that Mr Q and Miss L were already on and the Premier Life account they upgraded to was that the Premier Life account included airport lounge access. From what I've seen Mr Q and Miss L registered for this service. And they even used it on occasion. I've seen what Mr Q and Miss L have said about it not covering all of the airports they used. I don't know what Mr Q and Miss L were told at the time. But I do think it's unlikely that they were told that the service covered all airports.

In any event, Mr Q and Miss L would've quickly realised that not all of the airports they visited were covered by the service. Yet it looks as though they kept the account for a period of time after this. This suggests to me that Mr Q and Miss L would've still taken the account for this benefit even if they had been told precisely which airports were covered – especially as they did go on to use the service. The travel insurance policy on the Premier Life account covered trips lasting up to 90 days. Given what Mr Q and Miss L have told us about wanting cover for more than 30 days, this might have been one of the reasons why they chose to take the Premier Life account. Mr Q and Miss L also continued to use the breakdown cover too. So overall I think that they could've used enough of the benefits for it to have been fair for Barclays to have offered the account to them.

I accept that the Additions Plus and Premier Life accounts included other benefits. And Mr Q and Miss L may not have wanted or needed all of them. But packaged accounts aren't tailored products. And it's rare for anyone to find all of the benefits useful. At the time, the Additions Plus account was the cheapest in Barclays' range that offered the benefits Mr Q and Miss L look to have most wanted and needed. And the Premier Life account was the only one that offered *all* of the benefits they wanted at the time it was sold.

So I can't say Barclays did something wrong simply because Mr Q and Miss L now, with the benefit of hindsight, may regret the decision to have kept the accounts for as long as they did. And I can't hold Barclays responsible if Mr Q and Miss L chose to keep the accounts and buy cover elsewhere despite being told what the accounts came with. So having thought about everything, I think that Mr Q and Miss L were provided with enough information to decide if the Additions Plus and Premier Life accounts were right for them at the respective times they took them out.

As Mr Q and Miss L might've read and heard general media stories on complaints about packaged accounts, I can fully understand why they may now believe that their accounts were mis-sold. Especially as they were initially contacted by a claims management company telling them that their accounts were mis-sold. But my decision on this case comes down to making a judgment call on events that, in part, took place nearly a decade ago. While this can sometimes be difficult as memories inevitably fade over time, in this case, I think it's likely that Mr Q and Miss L chose to take the accounts. I think that they could've used enough of the benefits included on them too. So I haven't seen enough here to make me think that Barclays did anything substantially wrong. Although I appreciate that this will be very disappointing for them, I hope Mr Q and Miss L will understand my reasons and at least feel that their concerns have been listened to.

my final decision

For the reasons I've explained, I don't uphold Mr Q and Miss L's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr Q and Miss L to accept or reject my decision before 8 April 2016.

Jeshen Narayanan
ombudsman