

complaint

Mr H has complained that Barclays Bank Plc (“Barclays”) mis-sold him a First Additions packaged bank account in 2005. Barclays switched Mr H onto a ‘Tech Pack’ from its feature store when it withdrew the First Additions account in 2016.

background

One of our adjudicators has looked into Mr H’s complaint already and he didn’t think that Barclays mis-sold the First Additions account to him. Mr H disagreed and asked for an ombudsman’s 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 H’s complaint.

I’ve carefully thought about everything I’ve seen on this complaint. But having done so, I’m not upholding Mr H’s complaint. I’d like to explain the reasons for my decision.

why I don’t think that the First Additions account was mis-sold

I’ve started by thinking about whether Mr H was given a clear choice in taking the First Additions 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 Mr H and Barclays have been able to provide me with.

The information I’ve seen suggests Mr H upgraded to the fee paying First Additions account from a free one. So I think that Mr H would’ve known that Barclays did fee free accounts and that he could’ve had one, if that’s what he really wanted.

Mr H’s said that he was told that he had to have the packaged account. I’ve carefully thought about what Mr H has said. But I have to think about this in the context that Mr H is talking about events which took place well over a decade ago. And he hasn’t said anything about what he was told had changed in his circumstances which meant that he now had to start paying for an account he’d previously been able to have for free. So overall I’ve not seen enough here to be able to safely say that Mr H only took the First Additions account because he was misled into believing he had to have it.

Having thought about everything I’ve seen, I think it’s likely that Mr H was given a clear choice on upgrading. And I think it’s most likely that he chose to upgrade as he, at the time, thought the benefits it included might prove useful to him.

Barclays has said that as it sold the First Additions account to Mr H over the phone, it would’ve recommended it to him. As Barclays recommended the account this meant it had to make a fair recommendation by taking adequate steps to ensure it was a reasonable fit for Mr H’s circumstances. Having thought about Mr H’s circumstances and his actions after the upgrade, I don’t think that Barclays recommending the First Additions account was wholly unfair or inappropriate. I say this because I think that Mr H appears to have had a want and a need for the main benefits on this account.

I do think that it's likely Barclays' representative did talk about the benefits and at least provided an overview of what the accounts included. After all they were looking to make the accounts appear as attractive as possible so Mr H would agree to pay the monthly fee when he most likely knew he didn't have to.

The First Additions account included a £100 interest free overdraft portion and a substantially reduced interest rate on amounts over this as long as the consumer stayed within their overall agreed limit. Mr H had an overdraft. And his account ledgers show that he used it. So Mr H ended up making interest savings on his overdraft as a result of having the First Additions account.

The First Additions account also included mobile phone insurance. And Mr H's registration of a handset for this cover in the period of time he had packaged accounts with Barclays suggests that he might've found having it useful. At the time it was recommended, the First Additions account was the cheapest account in Barclays' range to include the benefits Mr H's circumstances and actions since taking it suggest that he wanted and needed. And as this is the case, I think that the First Additions account was a reasonable fit for Mr H's circumstances and I don't think that Barclays made an unfair recommendation to him.

Mr H's concerns about the Tech Pack

Mr H has also complained about being switched to a Tech Pack in January 2016. I've carefully thought about what Mr H's said. And I should start by saying that Barclays didn't sell Mr H a further packaged account in January 2016. It chose to withdraw the First Additions account at this stage. And it was entitled to do this. So I can't say that Barclays did anything wrong when it withdrew the First Additions account or that it had to continue providing it to Mr H.

When Barclays withdrew the First Additions account it moved all of its customers that had this account on to the Tech Pack from its feature store. This was because the benefits on the Tech Pack account most closely matched the ones that were on the First Additions account. As this wasn't a further sale of a packaged account Barclays didn't need to get Mr H's agreement before making this change. What Barclays needed to do was notify Mr H about the upcoming change to his account.

Barclays has provided me with copies of letters it sent to Mr H, in September 2015 and December 2015. These letters explained that Mr H's account was being changed to a Barclays Bank account with a Tech Pack, as the First Additions account was being discontinued. These letters were sent to the address it held for Mr H at the time. I accept that Mr H might not have read these letters, perhaps because he didn't appreciate the significance at the time, but that doesn't mean that he wasn't notified of the upcoming change to his account. And as Barclays took reasonable steps to notify Mr H of the change to his account, I don't think it did anything wrong when it switched Mr H to a Tech Pack in January 2016.

Mr H may now, with the benefit of hindsight, believe that he hasn't benefitted from his packaged account as much he had hoped and expected to when he initially upgraded. And given what he might've read and heard about packaged accounts in general, I can fully understand why this might lead Mr H to believe that his 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 upgrade and I can't use hindsight when reaching my conclusion.

I think it's likely that Mr H chose to upgrade having been told what the account came with. So although Mr H may now think that the First Additions account hasn't proved to be value for money and he may be wondering why he took it in the first place, I don't think that Barclays did anything significantly wrong here. I want to reassure Mr H that having looked at all the information provided

and thought about everything he's said, I don't think that Barclays has treated him unfairly. So I'm not upholding this complaint.

my final decision

For the reasons I've explained, I'm not upholding Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before 4 October 2018.

Jeshen Narayanan
ombudsman