

complaint

Mr D complains that Barclays Bank Plc mis-sold him packaged bank accounts in February 2000 and November 2008. He's used a claims management company (CMC) to bring his complaint to us.

background

Mr D originally held a free account with Barclays. His account was upgraded to a packaged Additions account in February 2000 and to an Additions Active account in November 2008.

Mr D's complaint has been assessed by one of our adjudicators. She recommended that the complaint shouldn't be upheld. The CMC, on behalf of Mr D, disagrees with that assessment and has asked that the complaint be decided by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've also taken into account the law, any relevant regulatory rules and good industry practice at the time each account was sold.

The events that Mr D is complaining about took place many years ago. So it is understandable that he might not have a full recollection of what happened. Where the evidence is unclear or there are conflicts I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to have happened each time.

Additions account – February 2000

Mr D recalls that his account was upgraded in February 2000 during a discussion with Barclays about his overdraft. He recalls being advised to upgrade his account. Barclays says that its branch sales process at that time wouldn't have meant that Mr D was given any advice on the suitability of the account for his circumstances. But I don't need to reach a firm conclusion on this point, because even if advice had been given, I think the account was appropriate for what I know of Mr D's circumstances.

The Additions account in 2000 only offered a limited number of insurance benefits such as purchase protection and cardholder protection. The most valuable benefits related to overdrafts.

At the time of sale, Barclays charged customers an overdraft usage fee of £5 each month if they used an overdraft for more than three days. And it charged interest on the overdrawn balances. Consumers with an Additions account didn't need to pay the overdraft usage fee and they weren't charged any interest on the first £100 of their overdraft.

Mr D says, and his account statements show, that he was regularly using his overdraft around the time of the sale. So, since the cost of the Additions account was £6, only £1 more than the monthly overdraft usage fee, and Mr D received other benefits from the account too, I think that he might have found the account to be attractive in his circumstances.

When the upgrade was sold Barclays needed to give Mr D information about the account so he could make an informed choice. It's possible that Barclays didn't do enough in this regard. But, I haven't seen any persuasive evidence that anything Mr D should have been told would have caused him to make a different decision about upgrading his account.

Additions Active account – November 2008

Mr D still held his Additions account in 2008. By that time the monthly cost had risen to £11.50 but the account now offered many more benefits such as mobile phone insurance and car breakdown cover. Barclays has given us a copy of the application form that Mr D signed at the time, so I think he was aware that his account was being upgraded. I've not seen anything to suggest that Mr D thought he had to upgrade his account.

Mr D hasn't told us much about how this account was sold to him. And because of that I've not seen anything to make me conclude that Barclays gave him advice, or a recommendation, on the account before the upgrade. So Barclays didn't need to make sure the account was suitable for Mr D's needs – that was essentially a decision he needed to make for himself. But Barclays did need to make sure that it gave Mr D clear, fair and not misleading information on which he could base that decision.

The Additions Active account was a little more expensive than the Additions account that Mr D already had – it cost £14 per month. But it also offered enhanced benefits. It offered an interest free overdraft of £300 (compared to the £250 that the Additions account now offered) and worldwide travel insurance. Mr D was still regularly using his overdraft at that time, and he's also told us that he travelled abroad on holiday. So both these additional benefits might have been attractive to him.

As before, I don't know whether Mr D was given enough information about the account before the upgrade was agreed. But I've not seen anything to make me think he would have made a different decision even if Barclays had told him everything.

I appreciate that with the benefit of hindsight Mr D might feel that he hasn't had value for money from the accounts, or needed all the benefits. But packaged bank accounts are rarely tailored to the individual so it's unlikely that every customer will find every benefit useful. It was for Mr D to decide whether the benefits, as a whole package, were attractive to him. Consumers might be attracted to a packaged bank account even if they didn't intend to use every benefit.

my final decision

For the reasons given above, I don't uphold the complaint or make any award against Barclays Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 11 April 2016.

Paul Reilly
ombudsman