

The complaint

Miss B has complained that Barclays Bank UK PLC (“Barclays”) won’t fully refund the monthly Additions Active and Travel Pack fees that she paid.

The Additions Active account was sold on 27 April 2009, and the Travel Pack was sold on 18 September 2012 and removed by Miss B in December 2018.

Miss B says that Barclays should refund the fees as she was, at times, resident in another country.

What happened

Barclays acknowledged that Miss B had sent letters in December 2011 and September 2012 to update her address. As these letters were not actioned, Barclays agreed to refund the fees Miss B paid between 1 December 2011 and September 2012.

Barclays also agreed to pay £250 compensation to Miss B due to how it handled the complaint.

However, Barclays didn’t think that it should make any further refunds.

One of our adjudicators assessed the complaint and they thought that Barclays’ offer to resolve the complaint was reasonable. So, they didn’t think that Barclays needed to do anything more in relation to this complaint.

Miss B disagreed with the adjudicator’s assessment, so the complaint was referred for an ombudsman’s decision.

What I’ve decided – and why

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 our approach to complaints about packaged accounts on our website and I’ve used that to help me decide this complaint. And having considered everything, I don’t think Barclays needs to do anything more than what it has already agreed to do. I will explain why.

I’ve started out by considering whether the Additions Active or the Travel Packs were mis-sold due to what Miss B has said about the eligibility criteria that apply to the insurance benefits of the account and Pack. However, based on the dates that Miss B has given of when she says she was residing in a foreign country, it seems that Miss B was not living abroad when she applied for the two products in question. So, it seems that Miss B was eligible for the two products at the time that she applied for them.

Furthermore, Barclays has provided evidence which indicates that the eligibility criteria of the Travel Pack was discussed with Miss B during the sale of the Travel Pack. And Miss B has not said anything to suggest she was actually unaware of the eligibility criteria of the various products in question. So, in the circumstances, I’m satisfied that Barclays did what it needed to do to make Miss B aware that she would only be eligible for cover providing she is a UK resident. And given that Miss B agreed to the Pack, having been made aware of the eligibility criteria, I can only reasonably conclude that she was living in the UK at the time.

Therefore, I don't think that a refund of the pack fees is warranted from the sale of either product.

However, although I don't think that either of the products was mis-sold, I have gone on to consider whether a refund of the account or Pack fees might be warranted from a different point in time. Afterall, Miss B's complaint is essentially that she believes there was no insurable interest whilst she was a resident abroad, and so says that a refund of fees is warranted even if Barclays didn't know she was living abroad.

Barclays says that it has located letters from Miss B that were sent in December 2011 and January 2012. I've not seen a copy of these letters, so there is not too much I can say about them. But Barclays says that they contained a change of address requests. So, in the circumstances, I think that Barclays' offer to refund the packaged account fees that Miss B paid between December 2011 and when she applied for the Travel Pack (whereby she'd confirmed she was eligible for the Pack) is reasonable.

Miss B has provided a number of date ranges showing when she says that she was resident in a foreign country. I have checked the history of Miss B's bank statements that Barclays has provided, and I can see that Miss B did regularly travel outside of the UK (although not necessarily always to the country she said she resided in). However, the transactions on Miss B's statements (such as ATM withdrawals, debit card payments and cash deposits) also show that Miss B regularly returned to the UK and spent significant periods of time in the UK – even during the periods of time that she says she was residing abroad.

As such, Barclays still had Miss B registered at a UK address, and it appears that Miss B was still regularly in the UK for significant periods of time. So in the circumstances, I don't think it's likely - based on what our service has been provided with - that Miss B would've been deemed to be ineligible for the cover the packaged account and Pack covered.

Because of this, I don't think that a full refund of the Additions Active or the Travel Pack fees (beyond what Barclays has already agreed) is warranted in this case.

Finally, I note that Miss B has asked for more compensation. However, having looked through everything that both parties has provided, I think that Barclays increased offer to pay £250 compensation (Barclays previously offered £200) fairly reflects the distress and inconvenience that Miss B has experienced in this matter.

Putting things right

To put matters right, Barclays needs to (if it hasn't done so already):

- Refund the Additions Active account fees that were applied to Miss B's account between December 2011 and September 2012;
- Pay Miss B 8% simple interest on the above fees, calculated from the date Miss B paid each fee to the date of settlement, less deductible tax; and
- Pay Miss B £250 compensation for the distress and inconvenience she experienced as a result of this matter.

My final decision

Because of the reasons given above, I require Barclays Bank UK PLC to do what I have outlined above to put matters right, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 1 August 2023.

Thomas White
Ombudsman