

## **The complaint**

Mr and Mrs P have complained that Barclays Bank UK PLC ("Barclays") mis-sold them a packaged bank account and a Tech pack. Their account history is as follows:

- Fee-free Current account taken out in February 1991
- Upgraded to a fee-paying Additions account in October 2000
- Migrated to a fee free current account with a fee-paying Tech pack in January 2017

Mr and Mrs P say that they were not told they could keep their fee free account.

## **What happened**

One of our adjudicators looked into this complaint and they didn't think the Additions account, or the Tech pack had been mis-sold. Mr and Mrs P disagreed and so the complaint has been 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 bank accounts on our website and I've used that to help me decide this case. I think it might help to explain that where matters are in dispute and evidence is incomplete, I have to base my decision on what I think was most likely to have happened, based on everything that is available.

Firstly, I have considered whether Mr and Mrs P were given a fair choice to take out the Additions account.

Mr and Mrs P have explained that they cannot fully recall the conversation that took place when the account was sold. But they do not recall being told that they could continue with their fee-free account. I have carefully considered this. But given that they had held a fee-free account for 9 years at that point, I would have expected them to know that fee-free accounts were an option available to them. They have not explained what they were told that made them believe that suddenly a fee-free account was not an option for them, especially as in the UK fee-free accounts are widely available with most, if not all, banks and building societies.

So given Mr and Mrs P's weak recollections of the sale and given that they'd had a fee-free account for many years by that point, I think it is more likely that they agreed to the account because of the benefits it provided – such as the overdraft benefits that the Additions account came with.

When this account was taken out, it cost £5 per month and came with an interest free overdraft buffer zone of £100. At this point the Additions account did not come with insurance benefits. And by having the Additions account, Mr and Mrs P no longer had to pay the £5 monthly overdraft usage fee (which was applicable to fee-free accounts).

I can see from the earliest statements that we have been provided, that Mr and Mrs P did regularly use their overdraft in the run up to taking out the Additions account. So having the Additions account meant that Mr and Mrs P could potentially have saved money on a monthly basis when it was initially taken out, compared to what they were being charged in interest and charges to use the overdraft on the existing fee-free account. So I think that this is most likely the reason why they agreed to this account.

When selling the Additions account, Barclays was required to give Mr and Mrs P enough information about the account, so they understood what they were agreeing to. And based on Mr and Mrs P's recollections of the sale, it seems highly likely that the overdraft features were discussed. I also can't see anything that they were not told that may have changed their decision to take out this account.

I note that Mr and Mrs P have explained that they do not think that the overdraft benefit was beneficial enough to make their account not mis-sold. I also note that Mr and Mrs P have requested calculations to demonstrate if the account was beneficial to them.

I can see that what happened is around the time of the upgrade Mr and Mrs P exceeded their agreed overdraft limit. So, when comparing the overdraft charges before and after the upgrade, the account cost them more on a monthly basis than their fee-free account. But this is because they were being charged a £20 unauthorised overdraft fee. This fee would have been charged on the account – regardless of whether it was a fee-free account or a fee-paid account. Barclays would not have known at the time of the upgrade that Mr and Mrs P were going to repeatedly exceed their overdraft limit for months after the upgrade, I say this especially as this is not something that had occurred before the upgrade. So I don't think the fact that Mr and Mrs P operated the account in an unarranged overdraft after the upgrade of the account means that Barclays did anything wrong by arranging for the upgrade to take place.

Ultimately if Mr and Mrs P had used their overdraft within its agreed limit, they likely would have saved money from upgrading their account - at least I think that was the case when it was sold to them.

I appreciate, that due to changes made to the benefits over time, the account may not have been as good value for money for Mr and Mrs P it was when it was first sold to them. But this doesn't mean that Barclays was wrong or acting unfairly by selling the account to them when it did.

So overall Barclays did not do anything wrong in selling the account in the first instance as it could have been useful to Mr and Mrs P. And it was up to Mr and Mrs P to change the account if it no longer was useful to them, once the benefits and their overdraft usage changed.

In relation to the Tech pack added to the account in 2017, I should highlight that the Tech Pack was not sold to Mr and Mrs P. What actually happened was in 2017 Barclays decided to change the products it offered and withdrew the Additions account. Barclays replaced the Additions account with a fee-free current account that included a Tech pack. This was to ensure that account holders were able to continue to receive similar insurance benefits that the Additions account provided. Barclays did however need to give all account holders the option to opt out of adding the pack to the account, if they no longer needed the insurance benefits that they provided.

This means that Barclays did not need formal consent to for the pack to be added, as they were in essence essentially changing the structure of the benefits that Mr and Mrs P were already paying for with the Additions account - rather than it being a sale of a totally new product. I say this because previously, Mr and Mrs P had an account that came with benefits for a monthly fee, whereas after the change, they had an account that had an additional pack added that came with similar benefits, that they paid for on a monthly basis.

Barclays was entitled to make these changes. However, when taking these actions Barclays needed to notify its customers in good time and explain the changes clearly and explain what options its customers had.

Barclays has provided a copy of a letter it sent to Mr and Mrs P in 2016 before it changed their account. I note that the letter was personally addressed to Mr and Mrs P at the address it held for them at the time. The letter gave Mr and Mrs P information on the upcoming changes that would be happening on their account. The second page of the letter gave several options, including opting out of the change and choosing to have a fee-free account without the pack instead. It gave Mr and Mrs P the option of calling to make this change or visiting a Barclays branch to do so.

Given this, I think that Barclays did enough to highlight that Mr and Mrs P's account was changing from an Additions account to a fee-free current account that came with a Tech pack. And that it highlighted to Mr and Mrs P that they could opt out of having this pack, if they wished to do so.

I also think that Barclays had given Mr and Mrs P a reasonable amount of time to consider the changes being made to the account, before they came into effect. I can't see that they contacted Barclays to either opt out of the change or query it. So, I can't say that Barclays did anything wrong in relation to the changes that happened on the account, or that it needs to refund the fees Mr and Mrs P paid for the Tech pack since it was added to their account.

I appreciate that this may come as a disappointment to Mr and Mrs P, but overall, I don't think that the Additions account was mis-sold or that Barclays did anything wrong in relation to the migration to the Tech pack. I do hope however that they understand the reasons why I have reached this outcome.

### **My final decision**

Because of the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 25 August 2023.

Charlie Newton  
**Ombudsman**