

The complaint

Miss A has complained that National Westminster Bank Plc (NatWest) mis-sold her a packaged bank account, called a *Platinum* account.

Miss A paid a monthly fee for the Platinum account and NatWest provided several potential benefits in return. She thinks it should refund her all the fees she paid, plus interest.

What happened

Miss A has banked with NatWest for quite a long time. NatWest has looked at its records for her and has told us that:

- in March 2005, it sold her a packaged account called an *Advantage Gold* account, for which it charged a monthly fee,
- in May 2005, Miss A switched to a fee-free account,
- in May 2015, it sold the Platinum account to Miss A and started to charge a monthly fee again,
- in March 2021, Miss A switched back to a fee-free account.

This account history is not in dispute and I have taken it to be accurate.

When Miss A originally complained to NatWest, she said it had mis-sold her both the *Advantage Gold* and the *Platinum* accounts. NatWest accepted it had mis-sold her the *Advantage Gold* account and paid her what seems to have been fair compensation. However, NatWest didn't agree that it had mis-sold Miss A the *Platinum* account.

This complaint is now only about the *Platinum* account. One of our adjudicators has already looked into it and didn't think that NatWest had acted unfairly. The adjudicator didn't recommend that NatWest should give Miss A any money back. Miss A didn't agree with the adjudicator's findings and asked for an ombudsman to review her case. So, it has come to me to make a final 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 how we handle complaints about packaged bank accounts on our website, and I've used this approach to help me to decide what to do about this case. I've looked into everything that Miss A and NatWest have told us or sent us about the complaint, and I've decided not to uphold it. I've explained why below.

In 2015, NatWest, along with other banks, was allowed to sell packaged bank accounts, like the *Platinum* account, in two ways. It could do so without giving personal advice on an

information-only (or non-advised) basis; or as an advised (or recommended) sale. Whichever method NatWest used for Miss A, I would have expected it give her a choice and tell her about Platinum account's costs and benefits clearly and fairly; and in an advised sale, I would also have expected it to check her circumstances to see if she needed the benefits which the Platinum account could provide.

Miss A has told us that NatWest sold her the Platinum account over the phone and that it gave her advice, although she has also said that NatWest didn't "*analyse*" the Platinum account to see if it was "*suitable*" for her needs.

NatWest seems to have accepted that it sold the Platinum account over the phone but has said that it did so on an information-only basis. There doesn't seem to be any recording of the phone call, which isn't surprising after more than six years have passed, so I can't tell for sure what happened. But in 2015, NatWest didn't usually give personal advice when it sold packaged bank accounts, and I haven't seen sufficiently convincing evidence for me to think it changed its usual practice for Miss A. So, I have considered this complaint as being about an information-only sale.

As Miss A had held a fee-free account for around ten years before NatWest sold her the Platinum account and I haven't seen anything to suggest it told her she couldn't keep that account, I'm satisfied that NatWest allowed her a choice. However, the main point of Miss A's complaint is that she thinks NatWest misled her that buying the Platinum account would improve her credit score. She's told us that NatWest sold her the Platinum account "*on the premise that it would improve (her) credit rating to help (her) with a future mortgage application*". She's added that she now believe this was wrong and that "*the type of account (she holds)..... has no direct correlation with (her) credit score.*"

In 2015, the benefits of the Platinum account included insurance for travel and mobile phone, use of a car breakdown service and discounts on "*days out*" at some tourist attractions. Miss A has also complained that NatWest didn't "*explicitly explain*" these benefits to her and didn't tell her that the travel insurance policy which came with Platinum account had exclusions which meant that she may not have been covered if she had a pre-existing medical condition. She's also said that NatWest didn't tell her she had to register her mobile phone for the insurance cover and has explained that she thinks she may have been "*ineligible for some, if not all*" of the benefits which came with the Platinum account.

NatWest has told us that it provided Miss A with all the information she needed to make a choice about the Platinum account. But before considering what may have happened during the phone call, with respect to Miss A's point about her credit score, I would like to confirm that her present belief is correct. The type of current account a person holds gives very little indication of his or her credit worthiness and it's extremely unlikely that buying the Platinum account would have improved Miss A's credit score. So, if NatWest told her the opposite, it would have been misleading.

In explaining why NatWest thinks it treated Miss A fairly, it has sent us a copy of a form which it appears to have sent to her shortly after the phone call. The form gave a summary of the main benefits of the account and drew Miss A's attention to the main exclusions and limitations which affected some of them. For example, with respect to the travel insurance, it said "*If you have or think you may have a pre-existing medical condition and you would like to extend your cover to include this, please ensure you call for screening. Otherwise, you may not be covered*". Amongst other things, it also said that only two claims per year would be allowed under the mobile phone insurance and five "*callouts*" per year under the car breakdown service. The form also referred Miss A to other, more detailed, documents including some about the insurance policies which it said she should read. I understand that it sent her these documents along with the form.

A later paragraph on the form said:

“ You should now be aware of all the key exclusions and limitations – are you happy to proceed?”

and:

“Please confirm the key exclusion and eligibility criteria above have been explained and you are happy to open the account”.

Miss A has signed and dated the form just below this statement.

Neither the form, nor any of the other documents to which it referred, suggested that buying the Platinum account would improve a customer's credit score. To me, it would have been rather odd for NatWest to make such a potentially important (though incorrect) statement during the phone call with Miss A and then ignore it in all the follow-up information it sent shortly afterwards. I fully accept that Miss A is doing her best to remember what happened during the phone call in 2015, but I doubt NatWest misled her about her credit score in the way she has described, as this would have contradicted all the other information it sent her.

Similarly, from the information on the form, I'm satisfied that NatWest told Miss A about the benefits of the Platinum account and drew her attention to the main exclusions and limitations. Furthermore, I haven't seen anything to show me that Miss A was adversely affected by any of these exclusion and limitations.

The main eligibility rules affecting the account and its benefits were that customers should live in the UK and be less than a certain age. Miss A seems to have met these criteria and I'm satisfied that she was eligible to use the benefits of the Platinum account if a need had arisen.

Turning to Miss A's comment that NatWest didn't tell her she had to register her mobile phone for the insurance cover, this is not strictly correct. NatWest recommended that customers should register their phones as it would make any claims easier to handle. But, registration wasn't essential. NatWest set this out for Miss A in one of the insurance documents I mentioned earlier, which said:

“We strongly recommend that you register your phone as soon as possible. If the phone has not been registered before a claim is made, registration will need to be carried out at that time. It's simple to register – do this by visiting (website address) or calling (phone number)”.

Even if Miss A didn't see this information, I don't think there was any significant failure on NatWest's part with respect to insurance for Miss A's mobile phone. It seems she could still have claimed, even without registering her phone.

Miss A has also told us that she didn't own a car in 2015 and so had no need for a car breakdown service. I accept this, but the Platinum account came as a package which couldn't be adjusted for precise individual needs; so, this was something for Miss A to consider for herself. She's also mentioned that she has never made any claims on any of the insurance policies. Again, I accept this, but as I'm satisfied that she could have claimed if the need had arisen, I don't think the absence of any claim shows any failing by NatWest.

Miss A has also said that she thinks NatWest should have called her periodically to check if she still wanted the Platinum account. The Financial Conduct Authority has told NatWest, and other banks which provide packaged accounts, to write to customers annually to remind

them about the cost and benefits (specifically, the insurance benefits) of the accounts they hold. But, there is no requirement on NatWest to ring Miss A in the way she has suggested.

I'm satisfied that NatWest sent the appropriate letters, which are often called "*Annual eligibility statements*" to Miss A and met its obligation to keep her up to date. I don't think the absence of any phone calls points to a significant failing by NatWest.

I'm satisfied that NatWest told Miss A about the monthly fees for the account as I don't think it could have presented the benefits as free, and they appeared on the form I mentioned earlier. So, as I haven't found any significant failings by NatWest, I don't think it mis-sold the Platinum account to Miss A.

My final decision

For the reasons I have set out above, I am not upholding Miss A's complaint that National Westminster Bank Plc mis-sold the Platinum account to her. I am not going to tell it to give her any money back.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 14 February 2022.

Steve Townsley
Ombudsman