

The complaint

Mr J has complained that National Westminster Bank Plc ("NatWest") mis-sold him a fee-paying Reward Black packaged bank account in February 2019.

Mr J said that he was told that he had to get the account in order to take out an overdraft. Mr J said that his earnings did not meet the requirement for the account, but he was given the packaged account anyway.

What happened

NatWest issued its final response on 9 September 2024 and said that it had tried to contact Mr J to better understand his complaint, but as it had been unable to reach him, it was unable to investigate his complaint.

Mr J referred his complaint to this service. One of our investigators looked into the complaint and they concluded that the Reward Black packaged account was not mis-sold.

As Mr J didn't accept the investigator's assessment, the matter was referred for an ombudsman's decision.

Mr J had upgraded his account to a packaged account and then downgraded it back to a fee-free account a number of times prior to the sale of Reward Black account in February 2019. But Mr J has confirmed that he is only complaining about the sale of the Reward Black account, so none of the other sales have been addressed.

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 done so I don't think that the Reward Black packaged account was mis-sold. I will explain why.

Mr J said that he was told that he had to take out a Reward Black account to take out an overdraft. However, NatWest has provided evidence to show that Mr J first applied for a £450 overdraft facility on 30 January 2002 i.e. many years before the sale of the Reward Black account. NatWest confirmed that the overdraft limit has remained at the same amount since then. It also says that Mr J hasn't applied for any further overdraft limit increases since then.

Overall, I've not seen enough evidence here for me to conclude that Mr J was misled into thinking that he must have the Reward Black account to get an overdraft. On the contrary, Mr J switched his account from being a packaged account to a fee-free account a number of times - without it affecting his overdraft limit. This would suggest that Mr J was aware that he didn't need the Reward Black account (or indeed any packaged account) to have an overdraft.

Furthermore, apart from Mr J's recollection of events, I've not seen any other evidence to suggest that Mr J was misled into thinking he had to upgrade his account (again) to have an overdraft. The sales documents from the time indicate that it was made clear to Mr J that having the Reward Black account was optional and that fee-free accounts were available to

him. The documents from the sale also indicate that it was sold to Mr J on the basis that he would be able to benefit from the products provided by the Reward Black account.

Mr J has also said that he did not meet the eligibility requirements for the account but was given the account anyway. From this, I understand that Mr J is saying that he was sold the Reward Black account, which I understand was a product available to Premier Banking customers. And to be a Premier Banking customer there were requirements in place - such as having a sole income of at least £100,000; a joint income of £120,000; or savings of at least £100,000 with NatWest; or a mortgage with at least £500,000 outstanding left to pay.

Mr J says he didn't meet any of these requirements. But I don't think this means the account was mis-sold. I say this because, firstly, it was within NatWest's discretion to allow Mr J to have an account even if he didn't meet the Premier Banking criteria. And more importantly, once Mr J's application to upgrade to the Reward Black account was approved, he was able to benefit from all of the benefits it provided, regardless of whether he'd met the Premier Banking requirements or not.

It's not clear why NatWest let Mr J upgrade to a Premier Banking product if it was the case that he didn't meet the Premier Banking requirements at the time. But, as his ability to use the account benefits would've been unaffected by whether he met the Premier Banking criteria or not, then I can't say he lost out financially as a result, or was treated unfairly, by being sold a Premier Banking product.

NatWest says that it sold the account to Mr J on an information only basis. Looking at the sales documents, I can see that NatWest did check if Mr J needed some of the Reward Black account benefits. And when discussing those benefits, it did then point out some of the key terms and exclusions of those products. But I can't see that it recommended the account to him as being suitable for his specific circumstances.

So from what I have seen, it looks like it was sold on a non-advised basis. This meant that NatWest didn't have to check if it was right for Mr J's circumstances. But it was required to give Mr J sufficient information about the benefits of the account, so that he could make an informed decision about whether it would be worth having or not.

Looking at the sales documents, it seems that Mr J was eligible for and had a need for travel insurance, mobile phone insurance, breakdown cover and home emergency cover – all of which were benefits that the account came with at the time. And it seems that Mr J was made aware of important terms and restrictions applicable to those benefits. For example, it was pointed out that he won't automatically be covered for pre-existing medical conditions under the travel insurance, and that if he has any, he will need to contact the travel insurer.

So from what I have seen, I think he was given at least some information about the account cost, what the benefits were, how to use the account benefits, and some of the limitations affecting those benefits. And Mr J seems to have had an awareness of those benefits. For example, I can see he went on to claim on the mobile phone insurance.

Having said the above, I accept it's possible that Mr J may not have been given all of the important information about the packaged account during the sale of the account. After all, there are quite a number of insurance and non-insurance benefits included with the account. But, even if that is the case, I've not seen anything about Mr J's circumstances at the time that makes me think he would've been put off from upgrading to it, had he been given even more information about the account at the time.

So taking everything into account, I've not seen enough evidence for me to conclude that the Reward Black packaged account was mis-sold.

Finally, I note that in his responses to the investigator, Mr J has raised other points. For example, Mr J has said that he had a gambling addiction and says that NatWest funded his gambling habit by allowing him to use his overdraft, when he says he'd never asked for the overdraft in the first place.

I'm sorry to hear about the difficulties Mr J has been facing. Based on what Mr J has said, it's clear that his financial difficulties and change in circumstances have been greatly distressing for him. But unfortunately, the above points were not mentioned when Mr J originally complained to NatWest. In his complaint to NatWest, Mr J only complained about the sale of his packaged account. And this service can only address a complaint once the relevant financial business has had an opportunity to consider the complaint first.

Therefore, if Mr J wishes to complain about how NatWest treated him in regards to his gambling habit or its lending decision(s), he will need to complain to NatWest about these matters in the first instance, before this service could consider a complaint about them. However, if Mr J is experiencing financial difficulties, I would urge him to contact NatWest immediately to see what support it can offer him.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 27 March 2025.

Thomas White
Ombudsman