

The complaint

Mr and Mrs T have complained that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (“NatWest”) mis-sold them a fee-paying Advantage Gold account (that was later rebranded as a Select Platinum account) in 2003.

Mr and Mrs T say that NatWest failed to draw their attention to the fact that medical conditions that were under investigation needed to be disclosed to the travel insurer.

What happened

On 22 April 2023, Mr and Mrs T booked a holiday that was due to start on 11 August 2023.

However, after Mrs T went for a routine appointment with her doctor, she was sent for further tests and was diagnosed with a very serious medical condition. Mrs T underwent surgery for that condition on 19 June 2023 which resulted in Mr and Mrs T needing to cancel their holiday.

When Mr and Mrs T submitted a cancellation claim to the Select Platinum travel insurer, it was declined. The insurer said that the cause of the cancelled holiday was due to a condition that Mrs T was already under investigation for, when they booked the holiday.

Unhappy with this Mr and Mrs T complained to both the travel insurer and to NatWest.

NatWest issued its final response to the complaint and in summary, it said that, as the packaged account was originally sold to Mr and Mrs T in March 2003, Mr and Mrs T had complained outside of the relevant time limits regarding the sale of their packaged account. NatWest also said that as the Advantage Gold account was sold in 2003, the current rules concerning the sale of insurance (which were known as ICOB, and then more recently as ICOBS) didn't apply at the time of the sale. NatWest also said that the travel insurance policy changed in 2010 and it says that the need to declare pre-existing medical conditions was made clear to Mr and Mrs T in March 2010. NatWest said that subsequent notifications sent to Mr and Mrs T contained similar information.

After Mr and Mrs T referred their complaint to this service. One of our ombudsmen considered the complaint, and they concluded, based on the evidence that was available to them at the time, that this service is able to consider Mr and Mrs T's complaint.

One of our investigators then assessed the merits of the complaint, but they didn't think that NatWest had mis-sold the account or acted unfairly or unreasonably towards Mr and Mrs T.

As Mr and Mrs T didn't accept the investigator's conclusions, the matter was referred for an ombudsman's decision, this time on the merits of the complaint.

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 uphold this complaint. I will explain why.

I've considered everything that has been provided, and I'm very sorry to hear about Mrs T's diagnosis. I appreciate that it must be a very difficult time for Mr and Mrs T and I wish Mrs T all the best with her ongoing treatment.

I can see that NatWest and the investigators have explained that NatWest is not responsible for the insurer's handling of the travel insurance claim, or for the policy wording used by the insurer. And I can confirm that is the case. Therefore, in this decision, I'm limited to only considering what NatWest was responsible for, which is namely that it provided clear, fair and not misleading information when the account was sold to Mr and Mrs T. And that whenever changes were made to the account features, it communicated those changes to Mr and Mrs T.

NatWest was also required, since 2013, to have sent Mr and Mrs T annual eligibility statements. The purpose of these were to remind them of the eligibility criteria of the insurance products included with their account. They also highlighted some of the important terms and conditions – such as the specific policy term concern pre-existing medical conditions that Mr and Mrs T have complained about.

Turning now to the matter at hand, I understand that Mr and Mrs T have said that the Advantage Gold account, which was later rebranded as a Select Platinum account, was mis-sold. As the account was sold in 2003, I'm sure Mr and Mrs T can appreciate that there is now very limited information available from when it was sold to them.

NatWest has provided evidence which suggests that Mr and Mrs T were able to receive the packaged account for free up until 2022, when they then had to pay 50% of the normal monthly fee. And based on what Mr and Mrs T have said, there doesn't appear to be any suggestion that they weren't given a choice in upgrading their account. So I'm satisfied that Mr and Mrs T were likely given a fair choice in deciding to upgrade their account to an Advantage Gold packaged account.

I can't be sure whether the account was sold on an advised or non-advised basis. But even if I concluded that that the account was recommended to Mr and Mrs T, I can't say that such a recommendation was unreasonable - given that they apparently received all of the benefits for free (at least initially). And it seems, they were able to benefit from features on the account, such as discounts on loans. Although I should point out that in 2003, the range of benefits provided by the account was very different than what it provided in more recent times. For example, the bulk of the benefits in 2003 were banking benefits (such as discounts on mortgages and loans) rather than insurance benefits.

As well as making sure the account was a reasonable fit for their circumstances at the time, NatWest was required to provide important information about the account, to ensure they could make an informed decision.

I note that NatWest says that the current insurance rules (known as ICOBS) were not in effect in 2003. But the General Insurance Standards Council code was effective since 2001. And that included similar requirements to ICOBS - such as the need to give the consumer enough information and help so that they can make an informed decision before they made a final commitment to buy an insurance policy. There were also requirements that the seller explained the main features of the insurance, including any significant or unusual restrictions, exclusions and conditions or any significant obligations the policy holder would have to meet.

Mr and Mrs T have said that their packaged account was mis-sold because NatWest failed to make them aware of the need to disclose medical conditions to the travel insurer, even when no confirmed diagnosis has been given and they are under investigation.

Based on what I know about the Advantage Gold account in 2003, it didn't strictly exclude pre-existing medical conditions. Instead, at the time it had a general exclusion which said:

“under some sections of the cover, travelling against medical advice or with the intention of obtaining medical treatment, pregnancy/childbirth where the expected date of birth is within 8 weeks of the expiry of the trip”

So given that the exclusion that Mr and Mrs T have complained about didn't exist when the account was originally sold to them, I can't reasonably say the account was mis-sold in the first instance.

In addition to considering how the account was sold to Mr and Mrs T, I have also considered whether NatWest did what it was required to do in terms of keeping Mr and Mrs T informed about changes that were made to the various benefits included with their account.

As the investigator explained, it seems the above quoted exclusion applied until March 2004. It appears that from January 2005, there was then a blanket exclusion for all pre-existing medical conditions. But then, from at least April 2012, customers with a pre-existing medical condition were required to call for screening and it was explained that they may be required to pay a premium for cover, or they may not be covered. However, Mr and Mrs T have said that they were aware of the general need to disclose pre-existing medical conditions to the travel insurer, so it would seem that they were made aware of the above requirements of their packaged account.

Unfortunately, it's not been made entirely clear when exactly the policy wording for the packaged account first said that a pre-existing medical condition could include undiagnosed conditions that are '*under investigation*'. For example, I can't see it specifically mentioned in Advantage Gold documents from 2013. But it was present in the Select Platinum policy terms from July 2014. So presumably the term was first introduced to Mr and Mrs T's account, when it was migrated over from being an Advantage Gold account to being a Select Platinum account in July 2015. But regardless of when exactly the policy wording was changed, even if I conclude that NatWest failed to notify Mr and Mrs T of this specific change in the policy wording at the time, I'm not persuaded that they would've acted any differently, even if they had been made aware of it.

I say this because NatWest has provided evidence to show that Mr and Mrs T were sent annual eligibility statements (AES's) in December 2013, then every August since 2014 (although there is a gap in the records for 2018 and 2019). NatWest's records confirm that the AES's were sent by post up until 2017, and were then sent via email from August 2020. NatWest has also provided evidence to confirm it had the correct postal and email address for Mr and Mrs T. So I've not seen any reason why the AES's wouldn't have been sent to them specifically.

Looking at a sample copy (that Mr and Mrs T have seen) of the email version of the AES NatWest sent out to all Select Platinum customers in 2020, it says:

“Pre-existing medical conditions

If you or anyone relies on this Travel Insurance policy has an existing medical condition, this condition is not covered by this policy unless you have called for medical screening and received confirmation of cover.

At the time of booking a journey, you or anyone who relies on this Travel Insurance Policy has a pre existing medical condition if any of the following statements apply to you/them:

- *Have received advice, treatment or been prescribed medication, whether taking it or not, from a doctor in the last 12 months.*
- *Are under investigation, awaiting a diagnosis or are receiving in-patient*

- treatment or waiting to receive treatment.*
- Have been treated or diagnosed with a heart or cancer related condition.*
- Have received a terminal prognosis at any time.*

Following the screening, there will be one of three outcomes:

- Cover may be provided without paying a premium*
- Cover may be provided but you may required to pay a premium*
- We may decide not to cover you for that condition.”*

Based on the above, and given that the AES only contained a high level summary of the insurance benefits, eligibility criteria and key terms and exclusions; I'm satisfied that NatWest had given sufficient prominence to the travel insurer's pre-existing medical condition requirements. And this made it clear that, even when a condition is undiagnosed and is under investigation, that would still require the account holder to contact the insurer to check if it would provide cover.

Furthermore, as Mr and Mrs T booked the trip in question in April 2023, then it would seem that Mr and Mrs T had been sent the above on at least three occasions before then i.e. in August 2020, 2021 and 2022. And given that this specific term seems to have been contained in the Select Platinum travel insurance policy wording since 2014, then I suspect (although I cannot say for sure) the above information may've also been contained in the earlier AES's issued since August 2016 too i.e. since their account changed from being an Advantage Gold account to a Select Platinum account in July 2015.

So overall, I can't be sure when exactly the 'under investigation' term was introduced into the policy wording. But I'm satisfied that NatWest had sufficiently highlighted to Mr and Mrs T the need to disclose pre-existing medical conditions to the insurer (which includes when they are under medical investigation), on at least three occasions before they had booked their trip.

Therefore, whilst I have the utmost sympathy for the very difficult circumstances that Mr and Mrs T found themselves in, and I wish Mrs T all the best with her treatment, at the same time, I'm unable to say that NatWest has acted unfairly or unreasonably towards them in this matter. On the contrary it does look like NatWest notified them of the specific requirements since at least 2020, if not earlier. And so, in the circumstances, I can't reasonably say that NatWest should pay for their declined claim, or refund them the Advantage Gold and Select Platinum account fees.

Finally, Mr and Mrs T say that, just because Mrs T had a routine blood test, this doesn't mean she was under investigation for any particular medical condition. However, Mr and Mrs T's point concerns how the travel insurance terms and conditions have been interpreted and applied to their particular circumstances. But it is the insurer's (and not NatWest's) responsibility to apply the terms and conditions of the travel policy correctly and fairly to their claim. So, any argument that the insurer may've incorrectly or unfairly applied the terms and conditions to Mr and Mrs T's claim is something that would need to be considered under a complaint against the insurer.

That therefore means that, even if the terms and conditions had been applied incorrectly or unfairly to Mr and Mrs T's travel insurance claim (although I'm not saying they were), I wouldn't be able to hold NatWest responsible for that within this decision.

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 T and Mrs T to accept or reject my decision before 12 August 2025.

Thomas White
Ombudsman