

complaint

Mr H has complained that Clydesdale Bank Plc (trading as “Yorkshire” Bank) mis-sold him a Premium (which later became the Private account) packaged bank account in 2004. He pays a monthly fee for the account which provides some benefits in return.

Mr H has used a claims management company (CMC) to bring this complaint to us.

background

One of our adjudicators has looked into Mr H's complaint already and he didn't think that Yorkshire mis-sold the packaged account to him. The CMC didn't accept this and asked for an ombudsman to look at the complaint and make a final decision.

my findings

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 have used this approach to help decide Mr H's complaint. I agree with our adjudicator that Yorkshire didn't mis-sell the packaged account to Mr H. And so it doesn't owe him any compensation. I'd like to explain why.

When the CMC disagreed with our adjudicator and asked for an ombudsman to look into the complaint, it gave its main reasons as Mr H was told a free account wasn't an option for him as he was self-employed, he didn't use the benefits from 2008 onwards and Mr H tried to downgrade to a fee free account but wasn't able to.

I've carefully thought about these points and everything else I've been provided on this complaint. But I don't think that our adjudicator was wrong because:

- I've seen that Mr H has said that he was told a fee free account wasn't an option because of his self-employed status. But it looks like he upgraded to the Premium account from a fee free one that he'd held for a number of years. And I haven't seen anything to indicate he was no longer eligible for a fee free account. The Premium account did have a minimum earnings threshold and it's possible that Yorkshire let Mr H know that he met this in 2004. But I don't think that the salesperson would've gone as far as suggesting that Mr H's earnings meant that he no longer qualified for a fee free account. So I think it's most likely that Mr H would've known that he could've had a fee free account with Yorkshire if that's what he really wanted.

I've also thought about what Mr H has said about Yorkshire refusing to downgrade his account. But he's provided no detail on when and where any discussions took place, or what he was told when he tried to downgrade. And it looks like he's kept the account even after finding out that he can do so. So I haven't seen enough to say that Yorkshire refused to process a downgrade request.

Taking everything I've seen together, I think it's most likely that Mr H chose to upgrade to (and then keep) the Premier account after having been given an option to do so. And I think it's likely that he did this because he thought what the account included – most likely the preferential interest rates - might prove useful to him.

- From what I've seen, I don't think that Yorkshire recommended the account to Mr H. And so it didn't have to check whether it was a reasonable fit for him. It was up to Mr H to decide whether the account was right for him. But Yorkshire did have to give him clear enough information to do this. When Mr H initially upgraded, there weren't any insurance benefits on the account. But it included preferential interest rates on credit balances, overdrafts and savings. And I think that Mr H may have been attracted to this (especially given the size of the overdraft balance he eventually ended up running) as well as the preferential terms on the credit card.
- The representative has queried whether the savings he made were worth £25 a month. But at the time Mr H upgraded the account the account cost £120 a year. I accept the fee did later increase to £25 a month. But I think it's likely that Yorkshire would've written to Mr H before this happened. And Mr H would've noticed this on his statements anyway. So he could've downgrade to a fee free account if he thought that the increased fee meant it was no longer worth his while having the account. For the sake of completeness, I'd also add that the savings made on the preferential rate may well exceed the fee Mr H paid (even at £25) given the large credit card and overdraft balances Mr H ended up running. I've seen what the representative has said about Mr H being told that a fee free account wasn't an option in 2008 and that no direct debits were being paid from his account at that stage. But I've looked at Mr H's statements and can see that there were direct debits going out of his account. And given he had an overdrawn balance of around £18,000 at that time, I think he probably was told he'd still have to pay for his overdraft, even if he went back to a fee free account. But I think it's unlikely he was told he couldn't have a fee free account.
- Mr H might now think that he hasn't benefitted as much as he hoped and expected to when he took out the account. Especially as he may not realise that the preferential interest rates have saved him a substantial amount. And given what he may have read or heard about packaged accounts, I can understand why he might think his account was mis-sold. But I think that Mr H freely chose to take the account and he even still has it now. So while I accept Mr H may now, with the benefit of hindsight, think that the account hasn't proved to be value for money, I haven't seen enough to agree the account was mis-sold to him.

I've looked at all the information Mr H and his representative have provided about this complaint. And having done so, I don't think that Yorkshire mis-sold the packaged account to Mr H. So I don't think it owes him any money.

my final decision

For the reasons I've explained, I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before 9 November 2015.

Jeshen Narayanan
ombudsman