

complaint

Mr M has complained that he was mis-sold a packaged bank account by National Westminster Bank Plc ("NatWest").

background

Mr M opened a fee-free account with NatWest in February 1996. He upgraded this to an Advantage Gold account in November 2000.

Mr M says that he upgraded to the Advantage Gold account as he was told that it would provide him with a larger overdraft. He also says that he didn't need some of the benefits as he had duplicate cover.

Our adjudicator did not uphold this complaint. Mr M disagrees with this so the case has come to me to 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. Where there is limited evidence from the time of sale – as is the case here – I need to decide what I think is most likely to have happened.

I've decided not to uphold Mr M's complaint for the reasons set out below.

Mr M initially said through his representatives that he was sold the account on the grounds that it would provide him with a larger overdraft and that he wouldn't have upgraded had he not been informed that the account would increase his overdraft. But, as set out by our adjudicator in his view, Mr M didn't have any overdraft facility before he upgraded and hadn't ever applied for one. So what he says about taking the account because he was told he would be able to increase his overdraft can't be right. And it seems that Mr M may have difficulty recalling what happened, which is understandable given the passage of time.

Following the adjudicator's view, Mr M's representatives said that he was sold the account on the grounds that it would *provide* him with the overdraft and was led to believe that the overdraft itself was a benefit of the account. They said that Mr M's testimony shouldn't be disregarded because he couldn't remember whether he had a smaller overdraft prior to the sale or none at all. But because Mr M isn't able to accurately recall what happened at the time of the sale, I don't have enough evidence to safely decide that he was led to believe he had to have the account to get an overdraft. He hasn't provided any further detail about what NatWest said or did to give him that impression and I haven't seen any evidence to suggest that was the case.

As set out above, Mr M had never applied for an overdraft before upgrading so there isn't any evidence that he was refused an overdraft with a free account. Having looked at the evidence I can see that Mr M didn't apply for an overdraft at the time he upgraded his account. He did apply for a £300 overdraft just over a fortnight after he upgraded. So it seems to me unlikely that he thought the overdraft itself was a benefit of the account, as he applied for this facility separately after he had upgraded. One of the benefits of the account at the time he upgraded was preferential overdraft rates so this may have been one of the things which attracted him to the account. Having carefully considered at the evidence, I

think it's most likely that Mr M was given a fair choice about whether to upgrade his account and chose to do so because he was interested in some of the benefits.

Having considered the evidence, I don't think NatWest assessed Mr M's circumstances in any detail or gave him a personalised recommendation to take the Advantage Gold account. So it seems to me that the sale was conducted on a non-advised basis. This means NatWest didn't have to assess the suitability of the account for Mr M. But it still had to provide clear enough information about the account so that he could decide for himself whether he wanted it.

Packaged bank accounts are rarely tailored to the individual so it's unlikely that every customer will find every benefit useful. It was for Mr M to decide whether the benefits, as a package, were attractive to him for the cost. I think it's likely that Mr M was made aware of the main benefits of the account when he took it out and that some of them were of interest to him at the time – although he may have forgotten about these later. The fact that Mr M may not have made full use of these benefits doesn't mean the account was mis-sold. And I've seen nothing to suggest he couldn't potentially have benefited from the account as a whole.

Mr M also says that he had his own car breakdown cover. However, this wasn't a benefit of the Advantage Gold account at the time Mr M upgraded. So I don't think this would have affected his decision whether to take out the account at the time of sale. Breakdown cover was added as a benefit in 2008 and it was then for Mr M to decide whether he wanted to cancel his existing cover. And Mr M has said that he kept his own car breakdown cover as he felt it was more comprehensive. So it seems he was made aware of benefits added over time.

Mr M's representatives have suggested that the account was not good value. Whilst I accept that he didn't make a claim on any of the insurance benefits, the purpose of having insurance is to provide piece of mind that a potential risk would be covered. So the fact Mr M hasn't made a claim doesn't mean the account was mis-sold. It may be that with the benefit of hindsight Mr M may not now consider the account provided value for money. But this doesn't mean it was mis-sold when he took it out. As set out above, I'm satisfied that he was given a fair choice to take the account. It seems he was happy to pay the account fees for the benefits at the time he upgraded and it was for him to monitor whether the Advantage Gold account continued to be a good product for him – not NatWest. I can see that Mr M got preferential rates on two loans because he had the Advantage Gold account some years after upgrading, so it seems that he did continue to benefit from having it.

I accept it's possible that NatWest didn't give Mr M all of the information about the account that it should have. But I don't think there is anything about the account which he wasn't told which would have put him off taking it if he'd known about it. And I don't think Mr M has lost out because of anything NatWest might have done wrong.

my final decision

For the reasons given above, I do not uphold the complaint or make any award against National Westminster Bank Plc.

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

Rachel Ellis
ombudsman