

complaint

Mr W has complained that National Westminster Bank Plc ("NatWest") mis-sold several packaged bank accounts to him under one account number – an Advantage Gold in 1998, an Advantage Gold in 2010 and a Select Platinum in 2013. He paid a monthly fee for the Advantage Gold accounts and still pays a monthly fee for the Select Platinum. All accounts offered several benefits in return.

Mr W has used a claims management company (CMC) to bring his complaint to us.

background

I attach my provisional decision of July 2015 which forms part of this final decision. In my provisional decision I set out why I thought I shouldn't uphold Mr W's complaint. I invited both parties to make any further comments before I made my final decision.

NatWest did not respond. Mr W's representative responded saying there was little that they could argue with. However, they presented the following key points:

- They still believe that the breakdown cover that came with the Advantage Gold account in 2010 was not explained to Mr W. The CMC added it is perfectly reasonable to believe that when the upgrade occurred, NatWest staff wrongly assumed he was aware of the benefits as he had held an Advantage Gold account before and not considering the benefits had changed.
- As well as providing Mr W with enough information for him to decide whether or not to upgrade the account, NatWest also needed to provide Mr W with enough information for him to be able to use the account to his best advantage. The CMC still believes that the reason Mr W did not cancel his separate breakdown was because he was unaware that he also had it included with the Advantage Gold. Adding that nobody would knowingly pay for two breakdown covers.

With the above in mind, the CMC believes it would be fair for NatWest to compensate Mr W for the loss he has suffered by this i.e. to pay him an amount equal to what he has paid for his separate breakdown cover plus compensation.

my findings

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I see no reason to change the conclusions I came to in my provisional decision, so I don't uphold this complaint. But I would like to comment on the points raised in response to my provisional decision.

I appreciate that Mr W's representative has said that it is perfectly reasonable to believe that when Mr W upgraded his account to an Advantage Gold for the second time, staff would wrongly assume he was aware of the benefits and not realise they had changed. But I think it's likely NatWest would have made him aware of the key benefits as these would have made the account more attractive and NatWest has shown a welcome pack was sent shortly afterwards. I have not seen any persuasive evidence to show that Mr W was not made aware of the benefits. As outlined in my provisional decision, I don't know why Mr W chose not to rely on the breakdown cover, but it's possible – if he did have existing cover – that he

forgot to cancel what he already had. So I don't think NatWest has done anything wrong regarding this.

I acknowledge that NatWest may not have told Mr W everything it should have about the packaged accounts, including the Advantage Gold taken out in 2010. But even if NatWest didn't tell Mr W everything it should have, I haven't seen anything to make me think that Mr W would not still have taken the account.

my final decision

For the reasons outlined above and in my provisional decision of July 2015, I don't uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 21 September 2015.

Donna Parsons
ombudsman

COPY OF PROVISIONAL DECISION

complaint

Mr W has complained that National Westminster Bank Plc ("NatWest") mis-sold several packaged bank accounts to him under one account number – an Advantage Gold in 1998, an Advantage Gold in 2010 and a Select Platinum in 2013. He paid a monthly fee for the Advantage Gold accounts and still pays a monthly fee for the Select Platinum. All accounts offered several benefits in return.

Mr W has used a claims management company (CMC) to bring his complaint to us.

background

One of our adjudicators has looked into Mr W's complaint already. The adjudicator didn't think that NatWest mis-sold the packaged accounts to Mr W and didn't recommend that NatWest should pay him any compensation. The CMC didn't accept this recommendation and asked for an ombudsman to look at the complaint and make a final decision.

When the CMC disagreed with our adjudicator and asked for an ombudsman to look into the complaint, it said it agrees there was some inaccuracy in Mr W's testimony. And whilst the CMC doesn't dispute that Mr W chose to take the Select Platinum account for the benefits, it says he was not told about any of the benefits that came with any of the previous accounts and this prevented him from getting value for money. An example of him having separate breakdown cover was given.

As the CMC has said that Mr W chose to upgrade to the Select Platinum and remains unhappy with the previous upgrades, I have focused on the sale of the Advantage Gold accounts and not addressed the sale of the Select Platinum account in this provisional decision.

my provisional findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

We have explained how we handle complaints about packaged bank accounts on our website. I have used this approach to decide what to do about Mr W's complaint.

I don't intend to uphold this complaint. I currently agree with our adjudicator that NatWest did not mis-sell the packaged accounts to Mr W and does not owe him any compensation. I will now explain my reasons:

- Mr W took the Advantage Gold packaged bank account in 1998 by switching from a free account which he had held for a number of years. There's nothing persuasive to suggest that when he switched he was told free accounts were no longer available. So I think that NatWest gave Mr W a fair choice to take the packaged account or keep the free one.

He then went on to downgrade the account in 2006, before upgrading to an Advantage Gold account again in 2010 and then a Select Platinum in 2013. This account activity suggests that Mr W was actively managing his account. It also indicates that he was comfortable in exercising choice and making changes to his bank account. Whilst I acknowledge Mr W has said he was aware of the fees he was being charged but thought that it was normal to pay these, I think that for the above reasons and by downgrading in 2006, he demonstrated he was aware that free accounts were available.

Overall I think it's likely Mr W was given a fair choice whether to take each of the packaged accounts or keep a free one.

I note Mr W has said he was pressured into keeping the packaged account when he tried to cancel. But as he did downgrade the account and then later upgraded twice, I have not seen enough persuasive evidence to show he was unable to amend his account.

- Taking everything into account, I don't think that NatWest recommended the packaged accounts to Mr W so it didn't have to check if the accounts were suitable for him. It was up to Mr W to decide if the packaged bank accounts on each occasion were right for him, taking into account his circumstances at the time.
- NatWest had to give Mr W enough clear information about the packaged accounts for him to decide if he wanted them. Like our adjudicator, I think that Mr W was attracted to some of the benefits of the packaged accounts and chose them because of these benefits. NatWest has told us that a loan was taken out shortly after upgrading to the Advantage Gold account in 1998 and that Mr W received a preferential rate for this. I can also see that Mr W held an overdraft from 2002 which he received preferential rates for during the times he held a packaged bank account. When taking out his subsequent loans, he held the Advantage Gold. NatWest has told us that he received preferential rates for these.

I think it's likely Mr W decided to upgrade his account on the two occasions to an Advantage Gold because his loans and overdraft were cheaper with a packaged account. So it seems these were benefits he was interested in.

- Mr W has said that he held breakdown cover elsewhere and would not have been paying for separate breakdown if he had known it was a benefit of the account. Breakdown was not a benefit with the Advantage Gold until 2008 and so was not a benefit when he held the account the first time in 1998. It would have been a benefit when he held the Advantage Gold account again in 2010. I think it's likely NatWest would have made him aware of the key benefits at the time he took out the account, as these would have made the account more attractive. I can see Mr W has mentioned that he thinks he had to register for this cover, but registration was not required at this time. I don't know why Mr W chose not to rely on the breakdown cover, but it's possible – if he did have existing cover – that he forgot to cancel what he already had. So I don't think NatWest has done anything wrong regarding this.
- Mr W said he couldn't use all of the benefits, like travel insurance and he may now feel that it wasn't good value for money – but this is with the benefit of hindsight. I don't think that means NatWest mis-sold the accounts to Mr W. Customers don't have to be attracted to all the benefits to find the package as a whole attractive. And sometimes they may be attracted to benefits that they don't end up using. I think that's what most likely happened here.
- I acknowledge it's possible that NatWest didn't tell Mr W everything it should have about the packaged accounts in 1998 and 2010. For example Mr W says he wasn't told he had to register his mobile phone for cover - which was a benefit when he upgraded to the Advantage Gold account for the second time. There was a requirement to register, but from what I've seen he hasn't lost out on making a claim. As I think the main attraction to the packaged accounts were the banking benefits, I think if he had been told about the need to register for the service, it's most likely he would have done this. I haven't seen anything to make me think that Mr W would not still have taken the account even if NatWest had told him everything.

I want to reassure Mr W that I have looked at all the information I have about his complaint. Having done so I don't think Mr W mis-sold the packaged accounts to him. I don't think it owes him any money.

my provisional decision

For the reasons I've explained, I don't intend to uphold Mr W's complaint.

If Mr W or NatWest have anything more they'd like me to look at before I reconsider the complaint and issue my final decision, they should send it to me within one calendar month.

Donna Parsons
ombudsman