

complaint

Mr M has complained that he was mis-sold a packaged bank account by Santander UK Plc ("Santander").

background

Mr M opened a Premier 50 packaged account in September 2008. The account was initially opened with Alliance & Leicester, but Santander is now responsible for the complaint so I will refer to Santander throughout.

Mr M says that he was told by Santander that he would have to take a packaged account in order to secure a mortgage and overdraft. He says that he knew about the fees but believed he had no option but to pay them. Mr M says that he didn't need the benefits of the account. He says that he had medical conditions and when he checked the travel insurance it wouldn't cover him.

Our adjudicator didn't 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. We've explained how we handle complaints about packaged bank accounts on our website and I've used this approach to help me decide what to do about Mr M's complaint.

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

Mr M says that he was told that he would have to take a packaged account in order to secure a mortgage and overdraft. I can see that he did have a mortgage with Alliance & Leicester but that this was closed in 2006, two years before he opened his packaged account. So I don't think Mr M is likely to have taken the packaged account because he thought he had to in order to secure a mortgage.

Santander has said that the type of account held by Mr M would not have affected his ability to obtain an overdraft. Where evidence is incomplete or matters are in dispute, as they are here, I need to make my decision based on what I think is most likely to have happened given the evidence that is available and the wider circumstances at the time. And in this particular case there isn't enough evidence for me to find that Mr M was misled in the way he suggests.

Mr M has said that he had a free account before he took out the packaged account and I can see that he moved to Santander from another bank. Free accounts were also widely available in this country at the time and I think Mr M is likely to have been aware of that. And from what I've seen I think it's most likely that he was given a fair choice about whether to take the account with Santander and chose to do so because he was attracted to some of the benefits.

Having considered the evidence, I don't think Santander assessed Mr M's circumstances in any detail or gave him a personalised recommendation to take the Premier 50 account. So it seems to me that the sale was conducted on a non-advised basis. This means Santander 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 Santander are likely to have made Mr M aware of the main benefits of the account when he took it out as these would have made taking the account more attractive. And I think that some of these were of interest to him at the time – although he may have forgotten about these later, which is understandable due to the passage of time.

One of the benefits of the Premier 50 account was that there were zero paid or unpaid item fees. With a free account, these would have been charged at £25 each. I can see that Mr M was sent 20 paid item letters between January 2009 and July 2010. So having the Premier 50 account would have saved him money on these and this may have been one of the things which attracted him to the account. The fact that Mr M may not have used all of the 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 says that he had medical conditions and when he checked the travel insurance around five years ago it wouldn't cover him to go to America. Mr M has also said on his questionnaire to this service that he didn't travel regularly and couldn't travel because of his health. So it doesn't seem to me that this was one of the main benefits Mr M was interested in. I can see that on the account agreement Mr M signed there is reference to the fact that the travel insurance may not cover pre-existing medical conditions, so I think it most likely that he was made aware of this limitation at the time of sale. In any event, Mr M appears to have become aware of the potential limitations of the travel insurance when he made an enquiry. As set out above, I think it most likely that Mr M would have been aware that he could have had a free account if the Premier 50 account didn't meet his needs but he kept the Premier 50 account after making this enquiry (it was changed back to a free account in 2013). So I don't think Mr M would have acted any differently had he been given any more information about the travel insurance at the point of sale.

Mr M has said that when Santander took over his account it didn't inform him that there was no need to continue with it. I'm satisfied that there was no obligation on Santander to do this when it took over the account and it was for Mr M to monitor whether the packaged account continued to be a good product for him.

Mr M also says that the account was changed to a free account without advising him of the reasons. I can see that Santander withdrew the Premier 50 account in October 2013 as part of its product simplification programme. Mr M's account was then changed to a free account. The terms and conditions of the account allowed Santander to make these changes and I am satisfied that Santander notified Mr M of the changes.

I want to reassure Mr M that I have looked at all the information I have about his complaint. But for the reasons I've explained, I don't think Santander mis-sold the Premier 50 account to him. I am sorry that this will not be the answer Mr M was hoping for.

my final decision

For the reasons given above, I do not uphold the complaint or make any award against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr M to accept or reject my decision before 2 September 2016.

Rachel Ellis
ombudsman