

complaint

Mr and Mrs D complain that National Westminster Bank Plc (NatWest) mis-sold them an Advantage Gold packaged bank account in 1997.

background

Mr and Mrs D opened an Advantage Gold account in 1997. They had previously held various fee free accounts with NatWest for many years. The account was downgraded to a Select account in 2015.

One of our adjudicators has already looked into Mr and Mrs D's complaint and recommended that it shouldn't be upheld. Mr and Mrs D didn't agree with that assessment and have asked for an ombudsman to consider the complaint and reach a final decision. They say the only reason they agreed to the upgrade was because they were in fear that their overdraft would be withdrawn and they were told that the Advantage Gold account would guarantee their overdraft.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. We've explained how we handle complaints about packaged bank accounts on our website. I've used this approach to help me decide what to do about Mr and Mrs D's complaint. I don't doubt Mr and Mrs D have provided their honest recollections but I'm mindful that events were many years ago and that memories can fade over so long a time. In cases like this – where the evidence is incomplete, I have 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.

I agree with our adjudicator that NatWest didn't mis-sell the Advantage Gold account and so it doesn't owe Mr and Mrs D any compensation. I'll explain why below.

Mr and Mrs D recall being asked to attend a meeting at their branch. They say they were coerced into upgrading their account to Advantage Gold. But Mr and Mrs D have been inconsistent about what was said during this meeting. When they initially complained to NatWest they said they were told upgrading was the only way to get an increase in their overdraft. When NatWest said that the overdraft wasn't increased until five years later, Mr and Mrs D said they were in fear of their overdraft being taken away and were told that the only way to guarantee an ongoing overdraft facility was to take the Advantage Gold account.

I don't know what was said during the meeting. But I can see that Mr and Mrs D held various fee free accounts with NatWest before the upgrade and that these accounts had overdraft facilities which had been increased over the years. So I think Mr and Mrs D would've known that they didn't need to pay for an account to have an overdraft or to have an overdraft limit increased. I've thought carefully about what they've said about fearing that the overdraft would be removed and feeling coerced into upgrading because they were told that the Advantage Gold account guaranteed an overdraft. But NatWest says that it never sold packaged accounts with a pre-approved guarantee of credit facilities. And in my experience, overdrafts tend to be approved on the basis of an individual's application and their credit score at the time of that application. Also, overdrafts can be withdrawn irrespective of whether they are linked to a fee free account or packaged bank account. So although Mr and Mrs D now think they were told that if they took the Advantage Gold account they would be guaranteed the overdraft, I'm not persuaded their recollection is accurate. I think it's more likely that NatWest told Mr and Mrs D about the account benefits – which included preferential overdraft terms, and they were attracted to these benefits and that's why they upgraded the account.

I've seen no persuasive evidence to suggest that NatWest assessed Mr and Mrs D's circumstances in any detail or gave them a personalised recommendation at the time they took the account. So NatWest didn't have to check whether the features of the Advantage Gold account were suitable for them.

NatWest had to give Mr and Mrs D enough clear information about the Advantage Gold account for them to decide if they wanted it. Given what Mr and Mrs D have said about the sale of the account, I think it's likely that NatWest made them aware of the key features of the account. Mr and Mrs D have told us they relied heavily on their overdraft facility – and had paid up to £100 a month for using it. So, as the Advantage Gold account attracted a preferential rate, I think it's most likely Mr and Mrs D decided to upgrade their account because the overdraft usage would be cheaper with an Advantage Gold account than with their fee free account. NatWest has also told us that several years later Mr and Mrs D took out a loan on which they also made a saving as they received a preferential rate with the Advantage Gold account. Although the loan was taken after the point of sale, it shows that Mr and Mrs D did use some of the benefits of the account. Mr and Mrs D may not have used all the benefits the account offered but this doesn't mean the account was mis-sold.

It's possible that NatWest didn't tell Mr and Mrs D everything it should've about the Advantage Gold account at the point of sale. But I haven't seen anything to make me think that Mr and Mrs D wouldn't still have taken the account in 1997 even if NatWest had told them everything. Mr and Mrs D say that the travel insurance was of no use to them because of a medical condition Mrs D had. And that they already had car breakdown cover and mobile phone insurance. But from what Mr and Mrs D have said it seems Mrs D's medical condition didn't occur until 2000. And mobile phone insurance and car breakdown cover weren't added as benefits of the account until 2006 and 2008 respectively. So these points wouldn't have been part of Mr and Mrs D's considerations when they took the account in 1997.

I want to reassure Mr and Mrs D that I've looked at all the information I have about their complaint. And I've thought about everything they have said. But having done so, I don't uphold their complaint.

my final decision

For the reasons outlined above I don't uphold Mr and Mrs D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs D to accept or reject my decision before 9 November 2015.

Sandra Greene
ombudsman