

complaint

Mr W has complained that The Royal Bank of Scotland Plc (RBS) mis-sold him a Royalties packaged bank account (PBA). The account was upgraded to a Royalties Gold account and was later upgraded again to a Royalties Premier account, which he also believes was mis-sold.

background

RBS has told us that Mr W first opened a fee free account in 1991. He upgraded the account to a Royalties PBA in 1997. The Royalties PBA was upgraded to a Royalties Gold PBA in 2001 and was upgraded again to a Royalties Premier PBA in 2007. It was downgraded to a Royalties Gold PBA in January 2011 and finally to a fee free account in January 2015. The accounts offered a number of benefits for a monthly fee.

RBS didn't uphold Mr W's complaint. Our adjudicator investigated his complaint. He decided not to uphold it. In essence he didn't think that the accounts had been mis-sold. Mr W didn't agree with him. And his representative asked for the case to be reviewed. The case has been passed to me for a decision to be made.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I think the relevant issues to take into account are the same as those set out on our website about our approach to complaints about packaged bank accounts. I've decided not to uphold this complaint.

The first thing I've thought about is whether Mr W was aware he had a choice about taking out the accounts and whether he agreed to take them out. I need to decide what I think is most likely to have happened taking into account all of the evidence, including what Mr W has said.

When Mr W brought his complaint to the ombudsman service, he completed a packaged bank account questionnaire (PBAQ). Mr W said in his PBAQ that didn't want or ask for the PBA. It had been sold to him proactively and the suitability of the account and his needs weren't discussed. In response to the adjudicator's view Mr W's representative said that he never provided signed consent for the accounts. As he was short of time to deal with the various phone calls he normally agreed to anything and everything the bank were saying to get off the phone quickly.

I've thought very carefully about all of the information I've been given including what Mr W has told us. RBS hasn't provided any documentation from the time of the upgrades. This isn't surprising given the length of time since the first PBA was sold and taking into account that the PBAs have been closed. Although there is no documentation available from the time of the upgrades, I don't think I can safely decide in this case, taking into account what Mr W has said; that he didn't agree to take out the accounts. It seems to me that Mr W was aware that he was being sold a PBA and that he had been contacted on a number of occasions by RBS. He has said that he agreed to what the bank told him, because he was short of time. This suggests to me that he agreed to take out the upgrades, although he may have done so because he was in a hurry. But it doesn't appear that this was the fault of RBS. And notwithstanding what he has also said about not being made aware of the account benefits, I also think it's more

likely than not that during those conversations about the PBAs; he was given some information about the benefits the accounts provided.

RBS' records show that Mr W had previously held a free bank account with it. I think it's likely Mr W knew he had a choice about whether or not he had to take out a fee paying account when he upgraded to the Royalties PBA. I also think it's likely Mr W knew at the time of the later upgrades that he had a choice about whether or not to agree to the changes.

Mr W upgraded and subsequently downgraded his account which also indicates to me that he would've been aware that he had a choice and agreed to take out the PBAs. Looking at everything I've been provided with, I simply don't have enough evidence to decide that Mr W didn't agree to take out the PBAs or that he didn't have a choice about whether or not he had to take them out.

It doesn't seem to me from what Mr W has told us and everything else I've been given, that Mr W was provided with individual tailored advice about the accounts and all of the benefits they provided. Taking this into account, I don't think there is enough evidence for me to decide that Mr W was advised to take out the Royalties account or the subsequent upgrades. This means RBS didn't need to make sure that the accounts were suitable for Mr W. But it had to provide Mr W with sufficient information so he could decide if the accounts were right for him.

The accounts provided a number of different benefits. I don't know why Mr W took out these accounts. I think it's likely there was some form of discussion about the benefits the accounts provided particularly as they charged a fee. And I think it's likely Mr W was interested in some of the benefits the accounts provided and knew that they charged a fee. So I think it's probable the benefits offered with the accounts were explained as part of the sales process, in order to persuade Mr W to upgrade his account to one that charged a fee.

The Royalties PBA provided preferential overdraft terms but it didn't provide car breakdown cover or mobile phone insurance and travel insurances. I can see from RBS' records that Mr W had an overdraft at the time of the Royalties upgrade. And he continued to have one after the upgrade. I've noted what Mr W's representative has said about his need for the preferential overdraft facility. I accept it's possible that Mr W may not now think this benefit was important. But it's equally possible that at the time of the upgrades this benefit may have been of interest to him.

The Royalties Gold PBA provided a number of additional benefits over and above the Royalties PBA including car breakdown cover, travel insurance and discounts on restaurants and tickets. The Royalties Premier account also provided additional benefits over and above the Royalties Gold account, such as travel insurance including winter sports, home emergency cover and ID theft protection. Mr W has indicated that he travelled outside of Europe and did winter sports. Looking at everything I've been provided with, I think on balance it's more likely than not that Mr W was attracted to some of the benefits the accounts provided.

I've noted what Mr W has said about being sold PBAs with insurances he didn't require. It would've been for Mr W to decide whether the accounts as a package were right for him. Packaged accounts are rarely tailored to the individual, so it's unlikely that he would've found every benefit useful. They may still have appealed to him even if he didn't intend using every benefit. If Mr W did have existing, stand-alone cover, it was up to him to decide

whether or not to cancel it. It may be that with the benefit of hindsight Mr W may not now consider the account to have provided value for money. But this doesn't mean that the accounts were mis-sold when he took them out.

I accept it's possible that RBS didn't give Mr W all of the information it should've when it sold the accounts. But for the reasons I've given, I don't think that Mr W would've acted any differently. Also there doesn't appear to be anything about any of the benefits which he might not have known about, which would have limited their value or usefulness for him. And which had he known about would've put him off taking out the accounts. This means Mr W isn't worse off as a result of what RBS may have done wrong, so there's nothing it needs to do to put things right.

my final decision

For the reasons I've given, I've decided not to uphold Mr W's complaint about The Royal Bank of Scotland Plc.

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

Simon Dibble
ombudsman