

complaint

Mr O has complained that National Westminster Bank Plc ("NatWest") mis-sold an Advantage Private packaged bank account to him in 1997.

background

One of our adjudicators has looked into Mr O's complaint already and she didn't think NatWest had mis-sold the packaged account. Mr O disagreed and asked for an ombudsman to look at his complaint and 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 decide what to do about Mr O's complaint.

Having looked at all the information provided, I don't think that NatWest mis-sold the packaged account to Mr O. I'd like to explain why I think this is the case in a little more detail.

I've started by thinking about whether Mr O was given a choice in taking the Advantage Private account. At this point, it may help for me to explain that I have to make my decision based on what I think is most likely to have happened. And in working out what I think is most likely to have happened, I have to think about everything I've been told together with else everything I've been provided with and see how this fits with what I do know. In other words, what I have to do, in this case, is decide what I think is most likely to have happened having weighed up what Mr O and NatWest have been able to provide me with.

It looks like Mr O upgraded to the Advantage Private account from a free one that he'd held for over a decade. So I think that Mr O would've been aware that NatWest did fee free accounts and he could've had one of those if that's what he really wanted. Mr O's says he was told he had to take an Advantage Private account in order to keep his overdraft.

I've carefully thought about what Mr O's said. But Mr O was sold his Advantage Private account a long time ago – over twenty years. So I have to think about what he's said in this context. And as our adjudicator has pointed out, there are notes recorded from around the time of the sale which suggest Mr O didn't take out the account when it was first offered to him. It looks like he asked to think about things after NatWest pointed out the preferential overdraft rate and agreed to renew his overdraft.

I know that Mr O disputes the accuracy of these notes. But even if I were to disregard them, it isn't in dispute that Mr O had an overdraft with a large agreed limit at the time. And given the amount of the saving on the preferential overdraft rate, Mr O was always likely to pay less overall as a result of upgrading.

So, in these circumstances, while I accept Mr O would've been told he couldn't have the preferential rate without taking the Advantage Private account (as this genuinely was the case), I can't see why NatWest would've actively misled Mr O into thinking he had to have it, as his circumstances meant it was unlikely NatWest would benefit financially from this sale.

Overall and having given careful thought to what Mr O's said, I think it's most likely that Mr O's account was upgraded because he agreed to it after having been provided with a clear choice.

In this case, I haven't seen anything to suggest that NatWest carried out a detailed assessment into Mr O's circumstances, which is what should've happened if a recommendation had taken place. So I don't think that NatWest recommended the Advantage Private account to Mr O. And this means that it didn't have to check if the account was right for him. It was up to Mr O to decide this for himself taking into account what the package included and his circumstances at the time. But NatWest did have to give him clear enough information to do this.

I do think that it's likely NatWest's representative did talk about the benefits and at least provided an overview of what the account included. After all they were looking to make the account appear as attractive as possible so Mr O would agree to pay the monthly fee when he most likely knew he didn't have to.

At the time Mr O upgraded, the account included substantially discounted interest rates on overdrafts and loans. As previously explained, Mr O already had an overdraft with a substantial agreed limit when he agreed to the account. And he paid substantially less in interest when he used his overdraft as a result of having the Advantage Private account.

Indeed I've seen that the amount Mr O saved in interest was more than what he paid in account fees. Mr O also went on to successfully apply for loans after he upgraded to the Advantage Private account. And his monthly repayments were a lot lower than they otherwise would've been if he hadn't taken out the packaged account.

Over the years a number of additional benefits have been added to the account – such as travel insurance, mobile phone insurance and breakdown cover. And I don't know if Mr O wanted or needed them – although his registration of a handset for the mobile phone insurance does suggest he at least found this cover useful.

In any event, the benefits on packaged accounts come as overall packages and they aren't tailored to individuals. So it's rare for an account holder to find all the benefits useful. And I think that NatWest is likely to have written to Mr O as and when these benefits were added. And at this point it was up to him to decide whether the overall package still met his needs, even though benefits he may not have found as useful had been added to the account.

Overall what I've seen suggests that Mr O used the main benefit he upgraded for (the preferential lending rates) and he was eligible for and could've used some of the others too. So while I'm open to the possibility Mr O wasn't told everything he needed to know about each and every one of the benefits, I do think he received enough to know and understand what it was he agreeing to. And as I haven't seen anything in his circumstances to suggest he would've been affected by any of the main limitations and exclusion on the benefits, I don't think that clearer information would've stopped him from taking the account either.

Mr O may now, with the benefit of hindsight, think that he shouldn't have upgraded. And given what he might've read or heard about packaged accounts in general, I can understand why this might now lead him to believe that his account was mis-sold. Especially as the sale took place such a long time ago and he may no longer recall what exactly happened at the time. But I think it's likely that Mr O chose to upgrade after having been provided with an explanation on what the account included. So although Mr O may now question his precise

reasons for upgrading, as he may think the account hasn't proved to be value for money (although it does look like he's saved money), this doesn't mean that it was mis-sold to him.

I want to reassure Mr O that I've looked at all the information I've been provided with. And I've thought about everything he's said. But having done so, I don't think that NatWest mis-sold the packaged account to him.

my final decision

For the reasons I've explained, I don't uphold Mr O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 4 August 2017.

Jeshen Narayanan
ombudsman