

complaint

This complaint is about Santander UK plc's sale of a fee-paying *Premium* packaged bank account. Mr P thinks it was mis-sold because Santander pushed him into taking it, saying it was necessary for a loan, overdraft and mortgage. He's also upset because Santander told him he was eligible for the account's travel insurance – but he thinks he wasn't given the duration of his trips and his pre-existing medical conditions. Mr P says he wasn't told about alternative free accounts.

background

Our adjudicator rejected this complaint. He thought Santander could have given Mr P better information at the point of sale. But he didn't think this would have made a difference. The adjudicator concluded that Mr P should have known free accounts were available, as he'd had one before. Looking at the overall benefits of the account, the adjudicator felt there was enough there to attract Mr P to it. Indeed, he'd actively used certain benefits, such as registering for the travel insurance, mobile-phone insurance and card protection policy.

Mr P has appealed. He's not provided any new evidence or arguments to show that the adjudicator made a factual or legal error. But he disagrees with the assessment because he feels that he wasn't included in the process and had no input: 'The decision appears to have been an unfair desk-clearing exercise. I have suffered prejudice.'

my findings

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

Mr P took out the *Premium* account in March 2011. It had a monthly fee of £20. This provided a number of additional benefits: travel insurance, mobile-phone insurance, car breakdown cover, health benefits, ID protection, and 'airport angel' service. Before holding this packaged account, Mr P had enjoyed free banking. This indicates that he knew—or ought reasonably to have known—that free accounts were available.

Santander says that it gave no advice, so this was an information-only sale. But even if it were an advised sale, I've seen no persuasive evidence that Santander pressured Mr P into paying for his banking or misrepresented that it was necessary for an overdraft, loan, etc. On the contrary, the 'welcome letter' it sent him on 15 March 2011 expressly stated, 'we regret that you are not currently eligible for the overdraft facility that is available with this product.' And there's no evidence that Mr P actually tried to take out discounted overdrafts, mortgages or loans. So, this doesn't seem like it was a material factor in the sales process.

Santander's database screenshots show that, in accordance with normal practice, it also sent Mr P a welcome pack at the point of sale. I've seen a copy of that pack. It does set out the main features. And it does highlight key exclusions and conditions for the insurance benefits, including for pre-existing medical conditions and the maximum trip duration of 62 days. (As it happens, the travel insurance contains no blanket exclusion for pre-existing medical conditions – policyholders are given the option of medical screening and possibly paying extra for covering them.) Given that one of Mr P's pre-existing medical conditions was automatically covered under the policy—and the other was unlikely to give rise to claims—I think it unlikely that he'd have acted differently regardless of whether or not such restrictions were highlighted at the point of sale.

It's not clear whether Santander did advise Mr P that the account benefits would make him eligible for travel insurance. But such advice wouldn't necessarily be a misrepresentation in light of Mr P's particular circumstances. In any event, I think it was ultimately his responsibility to check what benefits came with the account and whether they were appropriate for his needs. His account history shows that Santander issued him product information at the point of sale plus annual reminders about the account in 2011 and 2012. So he ought reasonably to have been aware of the benefits and costs. Also, his registration for a number of those benefits (ie, mobile-phone insurance, travel insurance and card protection cover) indicates that he was in fact aware of them and, moreover, may have found the overall package useful and/or attractive. Indeed, it appears that Mr P's complaint to Santander was initially prompted by the removal of the insurance and assistance benefits in autumn 2013. This implies they were features for which he was prepared to pay.

I realise Mr P initially wanted to complain separately about the card protection insurance on the basis that this was redundant cover given consumers' statutory rights, eg, under the Consumer Credit Act 1974. But this wasn't a benefit that he paid for separately; it was simply another benefit that came with the overall package. I'm not persuaded that his decision to apply for this account would have been influenced by the existence or non-existence of this relatively minor add-on benefit. I think many people tend to be attracted by the more substantial benefits—such as travel, breakdown and mobile-phone insurances—which, if bought separately, can sometimes cost more per year than a packaged bank account.

In all the circumstances, I'm satisfied that Mr P freely entered into this contract with Santander. Even if, as the adjudicator found, the point-of-sale information could've been better, I'm not persuaded this would have made a difference to Mr P's choice. On balance, it seems that he was aware of the benefits; actively used or registered for several of the key ones; and had enough information about the travel-insurance restrictions to make an informed decision about whether to seek cover for any longer trips and/or his pre-existing medical conditions – or whether to buy alternative cover elsewhere. There's no evidence that he suffered loss as a result of agreeing to this packaged bank account. The fee for it appeared clearly enough on his monthly account statements (*marked 'ACCOUNT FEE £20.00'*); and he was periodically reminded of the benefits. So he could've cancelled the account—before Santander downgraded it to a free one when it removed key benefits—if he thought it wasn't suitable for him or didn't represent good value for money.

my final decision

For the reasons set out above, I'm unable to uphold this complaint against Santander UK plc. I'm sorry to disappoint Mr P. Under the rules of the Financial Ombudsman Service, I'm required to ask him to accept or reject my decision before 23 July 2015.

Mark Sceeny
ombudsman