

complaint

Mr B complains that National Westminster Bank Plc (NatWest) mis-sold him an Advantage Gold packaged account in 2010. He also says that he was forced to keep it when he tried to downgrade his account.

background

NatWest didn't uphold Mr B's complaint so he brought it to this Service.

Our adjudicator has already looked at Mr B's complaint and recommended that it shouldn't be upheld. Mr B doesn't accept that assessment and has asked - as he's perfectly entitled to - for his complaint to be decided by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with our adjudicator and I don't uphold Mr B's complaint. I will explain my reasons below.

However, first I would like to explain to Mr B why our adjudicator talked about what he "thought" had happened at the time of the sale. This is because, when we decide complaints we look at what evidence we have and the surrounding circumstances to help us decide what is more likely to have happened. That is what I have done in Mr B's case. And although I don't doubt he has provided his honest recollections I am mindful that memories of events can fade with time.

Mr B's main complaint is that he says he wanted to increase his overdraft but was told by NatWest that to do so he had to take the Advantage Gold account.

But Mr B has said slightly different things on this point. For example in our questionnaire Mr B says:

"They advised me that the monthly charges is nearly the same as what I was paying on the free account and if I took the package I would get a higher o/d facility. They never advised me of a free account."

Elsewhere in the form he says:

"The free account had charges and that was why I had to take out a package deal I was told - so that I would not accrue high charges".

Mr B had held his sole, free current account since 2006. He had also opened a joint free current account at around the same time. The joint account was opened with an overdraft facility of £2,000. In June 2008 Mr B was approved for a £100 overdraft facility on his sole account. This was increased a few months later to £200. Both accounts were still open at the time of the upgrade to the Advantage Gold account – on that day the overdraft facility on Mr B's account was increased to £400.

So Mr B had previously increased his overdraft on his free account. And on his joint account, he had a facility which was significantly higher than the one he was seeking on his sole account. So I think Mr B would've been aware that he could have a free account and that he could increase his overdraft facility on that free account without having to have a packaged account.

I think it's possible that what happened was along the lines of what Mr B recalls in his questionnaire but over time he has forgotten some of the details. As he was seeking to increase his overdraft (and did so on the day of the upgrade) I think he was more likely told by NatWest that the interest rate payable on his overdraft, if he upgraded, would be lower than with his free account.

In addition to a preferential overdraft facility the Advantage Gold account also offered a discount on the interest rate charge on loans. And it provided a number of other non-banking benefits. These included worldwide family travel insurance, mobile phone insurance, accidental death benefit (£15,000), car breakdown cover and ID theft protection. Mr B says he was told about the other benefits which came with the account.

I note that on the day of the upgrade Mr B registered a mobile phone and in 2013 registered a different one. He says he upgraded for the higher overdraft and not the other benefits. I accept that his overdraft was important to him. But I also think that he is likely to have weighed up the options and found the upgraded package to be attractive. I accept that he may not have needed all the benefits the account offered but he didn't have to find every benefit attractive to be attracted to the account as a whole.

Taking everything together I'm not persuaded Mr B was told he had to upgrade his account to increase his overdraft – I think it's more likely he was told his overdraft interest rate would be lower than if he kept his free account and that there were other benefits included in the package for the monthly fee of £12.95. And so Mr B opted to upgrade.

From what I've seen it doesn't sound as though NatWest recommended the account to Mr B, so it didn't have to ensure that the benefits were suitable for him. But it still had to provide clear enough information about the account so that he could decide for himself whether he wanted it. I accept that NatWest may not have told Mr B everything it should have about each of the benefits. But I don't think he would've made a different decision even if he had been given better information.

I'm not aware of anything about Mr B's circumstances which would have meant that he couldn't rely on those benefits he appears to have been interested in. I've mentioned the mobile phone registration. Mr B also appears to have travelled abroad from time to time and it seems he could've used the worldwide travel insurance which came with the account. Mr B complains that he hasn't claimed on any of the insurance benefits. But he had the reassurance of having the cover in place so the fact that he didn't find himself in the unfortunate position of having to claim doesn't mean he was mis-sold the account.

And I see Mr B later took a loan and paid a discounted interest rate because he was an Advantage Gold account holder. So he gained a financial benefit from that, as well as the savings he made on his overdraft.

I don't think Mr B would've decided against upgrading even if NatWest had given him better information about the account. So I'm not persuaded the Advantage Gold account was mis-sold to him.

The other part of Mr B's complaint is that he was "*forced*" to keep the Advantage Gold account even though he wanted to downgrade. NatWest says it has no record of Mr B seeking to downgrade his account before he made his complaint. I mention above that he took a loan – this was in 2013 – and he received a preferential interest rate on that. He also registered the second mobile phone in 2013. So it seems that Mr B was still attracted to the account and was using its benefits at that time. I accept it's possible Mr B considered downgrading his account but I haven't seen enough persuasive evidence for me to conclude that NatWest "*forced*" him to keep his account. So I don't uphold this part of Mr B's complaint either.

Whilst I acknowledge that Mr B will be disappointed by my decision, I'm not persuaded to uphold his complaint.

my final decision

For the reasons outlined above I don't uphold Mr B's complaint.

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

EJ Forbes
ombudsman