

## **complaint**

Mr and Mrs K have complained that National Westminster Bank Plc (NatWest) mis-sold an Advantage Gold packaged bank account to them in 1998. They paid a monthly fee for the account which offered several benefits in return.

## **background**

I attach my provisional decision of 25 September 2015, which forms part of this final decision.

In my provisional decision I set out why I didn't intend to uphold Mr and Mrs K's complaint. I invited both parties to make any further comment before I reached a final decision.

No new information or arguments were provided by NatWest. But Mr and Mrs K did respond.

## **my findings**

I have reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. We've set out our general approach to complaints about packaged bank accounts on our website. And I've used this approach to help me decide what to do about Mr and Mrs K's complaint.

Mr and Mrs K are right in that I must decide their case on the balance of probabilities. In other words, it's what I consider most likely to have happened in the light of the available evidence. I'd like to re-assure them that is what I have done here.

Mr and Mrs K have responded with a list of points – some of which were addressed in my provisional decision. I've considered their further comments in reply to my initial conclusions. But having done so, they don't offer any proper basis for me to reach a different outcome. I shall however clarify Mr and Mrs K's point about them not requesting the Advantage Gold account. The issue here isn't whether Mr and Mrs K agreed to take out the account, as they seem to have accepted that they did but only because they thought they had to. I can accept that they may not have initially requested the account but this doesn't mean NatWest wasn't entitled to offer it to them. Overall, I'm satisfied Mr and Mrs K understood they didn't need to pay to have an overdraft, having had one before on their free account.

Mr and Mrs K have said they didn't get a preferential rate on their overdraft. Whereas NatWest says that they would've done. It's not surprising that NatWest no longer has any detailed information from the time the account was upgraded. After all, it has been in excess of 15 years since the account was changed. But given that one of the benefits on the account was preferential rates on the overdraft, I have no reason to think Mr and Mrs K wouldn't have been entitled to benefit from the rates, particularly as they held an overdraft facility at the time.

I know that this will come as a disappointment to Mr and Mrs K but taking everything into account, I don't think NatWest mis-sold the account to them.

**my final decision**

For the reasons set out above, I don't uphold Mr and Mrs K's complaint.

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

Sarita Taylor  
**ombudsman**

## **copy of provisional decision**

### **complaint**

Mr and Mrs K have complained that National Westminster Bank Plc (NatWest) mis-sold an Advantage Gold packaged bank account to them in 1998. They paid a monthly fee for the account which offered several benefits in return.

### **background**

One of our adjudicators looked into Mr and Mrs K's complaint. The adjudicator didn't think that NatWest had mis-sold the packaged account to them and didn't recommend that NatWest should pay Mr and Mrs K any compensation. Mr and Mrs K didn't accept this conclusion and asked for an ombudsman to look at the complaint and make a final decision. In summary, the main points they raised were:

- they were not given the option of retaining the overdraft on their free account and were led to believe they had to take the Advantage Gold account instead;
- they thought the account fees were for the overdraft;
- if the only gain was a preferential rate, they could have gone elsewhere for a better rate and not paid a monthly fee;
- they had not taken loans at a preferential rate until a number of years after the upgrade;
- they hadn't used any of the benefits and held alternative cover through Mr K's employer;
- the bank couldn't claim to recall how the account was sold because of its poor record keeping; and
- it took several attempts to downgrade the account;

### **my provisional 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. I've used this approach to help me decide what to do about Mr and Mrs K's complaint.

Having considered all the points that have been made and the rest of the evidence, I don't think the packaged account was mis-sold. And I'll explain why.

Mr and Mrs K say they were told that they had to take the Advantage Gold account if they wanted to keep their overdraft and they weren't given a choice in this matter. I don't know what was said at the meeting. I also appreciate this all happened a number of years ago. So I have thought about what Mr and Mrs K have said in the overall context of everything I've been told. I do know Mr and Mrs K had held a free account with NatWest for several years before they upgraded. And this free account had an overdraft attached to it which was increased over time. Taking everything into account, I think it's most likely Mr and Mrs K knew they didn't need to pay for an account to have an overdraft or for that matter to keep it. Also, Mr and Mrs K haven't given much detail about what the bank said or did to make them think that their overdraft would no longer be available to them. And given their comments about their experience of being able to source the market for the best deal, they could've done just that. So overall, I think that NatWest gave Mr and Mrs K a fair choice. And given that I think they upgraded to the Advantage Gold after having been offered a fair choice, I also think that they did this because they most likely found something on the account attractive.

Mr and Mrs K have said that NatWest recommended the Advantage Gold account to them. But I've not seen any other persuasive evidence to suggest that it recommended the account to Mr and Mrs K so I think the account was most likely sold on an information only basis. This means it was up to Mr and Mrs K to decide whether the account was right for them taking into account any existing cover they may have held at the time.

NatWest did have to give Mr and Mrs K enough clear information about the packaged account for them to decide if they wanted it. And that's what I've considered here. On this point, I think NatWest probably did tell Mr and Mrs K about the main benefits of the account, because those would have made it more attractive to them. And from what's been said, Mr and Mrs K remember a discussion about preferential rates on loans, which was one of the account benefits at the time. I think it's most likely Mr and Mrs K agreed to upgrade their account because they were attracted to some of the benefits it offered. Amongst other things, the account included preferential rates on overdrafts. When Mr and Mrs K upgraded they already had an overdraft limit of £1,000. They temporarily increased this before reverting back to the original limit. NatWest has told us that Mr and Mrs K benefitted from the preferential rate on their overdraft. So I think the account might have appealed to them because of the potential savings they could make on their overdraft.

Mr and Mrs K have said that they could have got better rates from elsewhere and they had experience of negotiating the best deal. I accept this is something they could have done but I can't see there was anything preventing them from doing this after they'd had their review. NatWest has said Mr and Mrs K registered a mobile phone in 2010 and although this was many years after the sale, it suggests an awareness of the type of account they had.

Mr and Mrs K have queried what other benefits they might have found useful, particularly as they had many of the other benefits through his work. Not all the benefits they've mentioned were features of the account when they upgraded. But also packaged bank accounts aren't generally tailored to the individual. So a customer is unlikely to be attracted to all the benefits of the account. And as set out above, I think it's likely that it was the banking benefits that came with the Advantage Gold account that attracted Mr and Mrs K. Just because they might not have used or needed all the benefits, doesn't mean the account was mis-sold.

Mr and Mrs K have indicated that they believed the account fees were for their overdraft. Considering everything, it seems most likely to me they were told what the fees were for and were happy to pay them for the benefits they were attracted to.

I understand that the savings Mr and Mrs K made were less than the fees they paid to have the account. But I don't think NatWest's representative could've predicted at the time how much Mr and Mrs K would use their overdraft, or what their total savings might be. Or how much they'd go onto later borrow with the personal loans. So even though Mr and Mrs K have paid more than they saved, I don't think this means NatWest mis-sold the account.

It's possible that NatWest didn't tell Mr and Mrs K everything it should have about the packaged account. But I haven't seen anything to make me think that Mr and Mrs K would not still have taken the account even if NatWest had told them everything.

Finally, Mr and Mrs K have said they had to make several requests before their account was downgraded. I have contacted NatWest about this. It says Mr and Mrs K's initial letter of complaint didn't say anything about downgrading the account. But it does have a record of a request from April 2015 at which point the account was then downgraded. I accept this still doesn't mean Mr and Mrs K didn't have to make several requests so if they do have any information about when they contacted the bank and who they spoke to, they should let me know.

But based on what I've seen so far, I don't think NatWest mis-sold the packaged account to them or failed to downgrade their account when they asked. So I don't think it owes them any money any money.

**my provisional decision**

For the reasons I've explained, I don't intend to uphold Mr and Mrs K's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs K to accept or reject my decision before 26 October 2015.

Sarita Taylor  
**ombudsman**

