

complaint

Mr C has complained that The Co-operative Bank Plc (Co-op) mis-sold two packaged bank accounts to him. He pays a monthly fee for the account which offers several benefits in return.

background

Mr C opened a fee free account with Co-op in 2006. The account was upgraded to a fee free Current Account Plus in 2008. Mr C then upgraded the account to a Privilege packaged bank account in 2009 and subsequently to a Premier Privilege account in 2010.

One of our adjudicators has looked into Mr C's complaint already. The adjudicator didn't think that Co-op mis-sold the packaged accounts and didn't recommend it pay any compensation. Mr C didn't accept this recommendation for a number of reasons and asked for an ombudsman to look at the complaint and make a final decision.

my findings

I've considered all the available evidence and arguments afresh to decide what is fair and reasonable in the circumstances of this complaint. We have explained how we handle complaints about packaged bank accounts on our website. I have used this approach to help me decide what to do about Mr C's complaint. I don't doubt Mr C has provided his honest recollections but I'm mindful that events were several years ago and that memories can fade. In cases like this – where the evidence is incomplete, I have to make my decision based on what I think is *most likely* to have happened given the evidence that is available and the wider circumstances at the time.

I agree with our adjudicator that Co-op didn't mis-sell the packaged accounts to Mr C and doesn't owe him any compensation. I will now explain why.

Mr C says he was forced to have the Privilege account because he was employed by Co-op and he had to have an account for his salary to be paid into. He has also said that he was told that having the account was the only way to get an overdraft facility. But Mr C had held a fee free account with Co-op for three years before he upgraded to a packaged account and his fee free account had an overdraft on it since 2008. So I think Mr C knew that he didn't have to pay for an account in order for his salary to be paid or to have an overdraft.

Mr C has since said that he upgraded as he wanted to get his overdraft increased and he was told he had to have the Privilege account to do this. But Co-op has shown that prior to the upgrade Mr C's overdraft was increased and decreased several times. And that Mr C's overdraft wasn't increased at the time he upgraded to the Privilege account. This suggests to me that Mr C's recollections of the sale have faded over time. Taking everything into account, I think that Mr C was most likely given a fair choice and decided to upgrade on both occasions as he was attracted to accounts with benefits knowing that cost a fee.

From what I've seen, I don't think that Co-op recommended the packaged accounts to Mr C. So it didn't have to check whether they were suitable for him. It was up to Mr C to decide whether the packages were right for him taking into account his circumstances. And it was for him to decide whether to cancel any existing insurances which were duplicated by those offered as part of the packaged accounts. But Co-op did have to give him clear enough information to do this. I think it's likely that Mr C would've been told about most, if not all, of the benefits on the account in order to make it appear as attractive as possible.

The Privilege and Premier Privilege accounts came with a number of benefits. It's not clear what the attraction was to the Privilege account. But Co-op has shown that Mr C travelled shortly after the upgrade to the Privilege account. So it's possible that – at the point of sale, Mr C was attracted to and relied on the travel insurance which was a benefit of this account. And Co-op has shown that Mr C applied for a loan when he upgraded to Premier Privilege. And Mr C has also told us he benefitted from a preferential rate on his linked savings account. So I think it's likely that it was the preferential loan and savings interest rates that came with the Premier Privilege account which were attractive to Mr C on the subsequent upgrade.

Mr C has said that he didn't need or claim on any of the insurances. And that he arranged separate travel insurance. But I've not seen any persuasive evidence that he had separate travel insurance in 2009 when he upgraded to the Privilege account. So, as mentioned above, I think it's most likely that – at the point of sale, Mr C was attracted to the travel insurance that came with the Privilege account. And I don't think that Mr C needed to be attracted to every benefit to decide it was worthwhile upgrading to the packaged accounts. I'm satisfied he was attracted to enough of the benefits at the time to decide the cost of the accounts made it worth upgrading to. He may not have used nor needed all the benefits that the account offered (or he may have simply forgot about them), but this doesn't mean Co-op mis-sold the accounts.

It's possible that Co-op didn't tell Mr C everything it should've about the packaged accounts. But I haven't seen anything to make me think that Mr C wouldn't still have taken the account even if Co-op had told him everything.

I want to reassure Mr C that I have looked at all the information I have about his complaint. Having done so I don't think Co-op mis-sold the account to him and I don't think it owes him any money.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 13 November 2015.

Sandra Greene
ombudsman