

complaint

Mr and Mrs J have complained that National Westminster Bank Plc (NatWest) mis-sold an Advantage Gold packaged bank account in 1999. They pay a monthly fee for the account which offers several benefits in return.

background

Mrs J opened a sole fee free account with NatWest in 1996. She upgraded to an Advantage Gold in 1999. Mr J was added to the account in 2006. The account later migrated to a Select Platinum account.

One of our adjudicators has looked into Mr and Mrs J's complaint already. The adjudicator didn't think that NatWest mis-sold the Advantage Gold account and didn't recommend that NatWest should pay Mr and Mrs J any compensation. Mr and Mrs J didn't accept this recommendation and asked for an ombudsman to look at the complaint and make a final decision. They said:

- the account was automatically upgraded when Mrs J was 18
- Mrs S didn't need the benefits because she was already covered for travel and she didn't drive or own a mobile phone
- they didn't save money by having the Advantage Gold account
- lower interest rates could've been obtained without a packaged account
- they couldn't downgrade as they would've had to repay their borrowing within 30 days
- they are unhappy with how NatWest dealt with their complaint.

my findings

I've considered all the available evidence and arguments to decide what is 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 J's complaint. I don't doubt Mr and Mrs J have provided their honest recollections but I'm mindful that events were 16 years ago and that memories can fade over so long a time. 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 NatWest didn't mis-sell the Advantage Gold account and so it doesn't owe Mr and Mrs J any compensation. I'll explain why below.

Mr and Mrs J say NatWest automatically upgraded Mrs J's account to the Advantage Gold account. But NatWest's contact notes - recorded at the time of the upgrade, indicate that Mrs J called into the branch with her mother. And that there was a discussion about her banking arrangements. So I think it's most likely that, as part of this discussion, Mrs J was told about the preferential account terms available if she upgraded. So overall, I think NatWest most likely gave Mrs J a fair choice to take the Advantage Gold account or keep the free one.

I've seen no persuasive evidence to suggest that NatWest assessed Mrs J's circumstances in any detail or gave her a personalised recommendation at the time she took the account. So NatWest didn't have to check whether the features of the Advantage Gold account were suitable for her.

NatWest had to give Mrs J enough clear information about the Advantage Gold account for her to decide if she wanted it. I think it's likely that NatWest made Mrs J aware of the key features of the account because it's the benefits that make the account more attractive. And like our adjudicator, I think that Mrs J was attracted to some of the benefits of the account and chose it because of these benefits. I note that Mrs J registered for payment card protection which suggests to me that Mrs J did have an awareness of the benefits of the account.

And NatWest's records show that Mrs J applied for a new overdraft facility when she upgraded. And that later she and Mr J went on to successfully apply for several loans. Both the overdraft and the loans attracted a preferential rate as a result of holding the Advantage Gold account. And NatWest has shown Mr and Mrs J have made substantial savings as a result. Mr and Mrs J say that they could've got cheaper rates elsewhere. I accept it's possible that they could've. But this seems to be a conclusion Mr and Mrs J have reached with hindsight. And I don't think NatWest was required to tell them about what other providers may have been offering. NatWest told Mr and Mrs J that they'd receive a better rate of interest by holding the Advantage Gold account than what they would get with a NatWest fee free account. And I am satisfied that this information was correct. So, taking everything into account, I think it's most likely Mrs J decided to upgrade – and that Mr and Mrs J retained the account, because the preferential banking terms that were available.

It's possible that NatWest didn't tell Mrs J everything it should've about the Advantage Gold account at the point of sale. But I haven't seen anything to make me think that Mrs J wouldn't still have taken the account in 1999 even if NatWest had told her everything. Mr and Mrs J say that Mrs J was already covered for travelling abroad through her work. And that she didn't own a mobile phone or drive a car. But Car breakdown cover and mobile phone insurance were not features of the account in 1999. So these benefits wouldn't have been part of Mrs J considerations at the time. And, as mentioned above, I think NatWest told Mrs J about the key features of the account. So I think Mrs J would've had enough information to know where the account duplicated any cover she had. The Advantage Gold account was sold as a package for a set price so it's unlikely that a consumer would find all the benefits of use. Mr and Mrs J may not have used nor needed all the benefits of the account but this doesn't mean the account was mis-sold.

Mr and Mrs J say they were unable to downgrade as they were told that they would've had to repay their borrowing within 30 days. NatWest has confirmed that consumers are able to downgrade but doing so may affect any preferential terms they are receiving. So I think it's most likely that Mr and Mrs J were told that they would lose the preferential benefits if they downgraded and that's why they have retained the account. If Mr and Mrs J wish to downgrade now, they should contact NatWest directly.

I've looked at all the information I have about Mr and Mrs J's complaint. And I've thought about everything they have said – including their comments about how NatWest first dealt with their complaint. And I want to reassure Mr and Mrs J that NatWest has provided us with sufficient information about their complaint to show that it looked at Mr and Mrs J individual circumstances when it assessed their complaint. Overall, I don't think NatWest mis-sold the Advantage Gold account. So I don't think it owes Mr and Mrs J any money.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs J to accept or reject my decision before 6 November 2015.

Sandra Greene
ombudsman