

complaint

Ms L and Mr P have complained that The Royal Bank of Scotland Plc (RBS) mis-sold them a Royalties Premier (Premier) packaged account in 2005. They paid a monthly fee for the account which offered several benefits in return.

background

One of our adjudicators has looked into Ms L and Mr P's complaint already. The adjudicator didn't think that RBS mis-sold the packaged account to them and didn't recommend that RBS should pay them any compensation. Ms L and Mr P didn't agree 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 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 decide what to do about Ms L and Mr P's complaint.

Ms L told us at the start that they were complaining that their account was "converted to a Premier account in 2005." So although Ms L and Mr P may have had other packaged accounts with RBS, I have only considered whether the Premier packaged account was mis-sold.

When Ms L and Mr P disagreed with our adjudicator and asked for an ombudsman to look into the complaint, they said, in summary:

- they thought that they'd have a better chance of getting a loan if they upgraded their account
- RBS took advantage of their situation and pushed the Premier account on them by enticing them with a preferential interest rate on a loan
- the benefits of the account weren't discussed
- the account wasn't suitable for their needs
- the upgrade wasn't necessary and they've not benefitted from having the account

I've thoroughly reviewed Ms L and Mr P's complaint and thought about these points carefully. But I agree with our adjudicator that RBS didn't mis-sell the packaged account to Ms L and Mr P. So it doesn't owe them any compensation. Let me explain why.

I should say first that I don't doubt Ms L and Mr P have provided their honest recollections of their interactions with RBS. But I'm mindful that memories can fade over time. And at times there is a conflict between what the bank and Ms L and Mr P have said, or the evidence is unclear. In those situations, I have to look at what is available and the surrounding circumstances to help me decide what is more likely to have happened.

Ms L and Mr P upgraded their account to a Premier account in 2005 at the same time they applied for a loan. They've said they were pushed into taking the packaged account and thought they had to have it to get the loan. But they've also said that they were enticed by the preferential interest rates offered on the loan. I accept that they didn't have to have a packaged account to get the loan. But from what I've seen, a preferential interest rate wasn't available with a fee free account. So I think it's most likely that Ms L and Mr P were told that

they could only have a preferential interest rate on the loan if they had a packaged account. And I think they chose the account to get the preferential rate.

Ms L and Mr P said they were advised to take the packaged account. But from what they've told us and everything else I've been given, it doesn't seem that they were provided with individual tailored advice about the account and all of the benefits it provided. Taking this into account, I don't think there is enough evidence for me to decide that Ms L and Mr P were advised to take out the Premier account. This means RBS didn't need to make sure that the account was suitable for them.

But, RBS did have to give Ms L and Mr P enough clear information about the packaged account for them to decide if they wanted it. Because the account was sold to Ms L and Mr P during a face to face meeting I think that most of the information about it would've been communicated verbally. So I can't be certain of what was said. But I do think RBS probably did tell them about the main benefits of the account because those would've made it more attractive to them. And I think that Ms L and Mr P were attracted to at least some of those benefits and chose to upgrade for the benefits. For example, in addition to the preferential interest rate on the loan they took when they upgraded to the Premier account, I can see that Ms L and Mr P made use of the interest free overdraft available with the packaged account.

It's possible that RBS didn't tell Ms L and Mr P everything it should've about the packaged account. But I haven't seen anything that suggests there was something they should have been told that would've led them to make a different decision. This is because, as I mention above, I'm satisfied they chose to take the account and there isn't anything about their circumstances which meant that they couldn't have relied on other benefits it offered.

I accept that Ms L and Mr P may not have been interested in all the benefits of the account. And I understand their strength of feeling about this. But these sorts of packaged accounts are rarely tailored to the individual. So it's unlikely that every customer will find every benefit useful. It was for them to decide whether the benefits, as a whole package, were attractive to them. I think, at the time they chose to take the Premier account, Ms L and Mr P concluded they were. It may be, with the benefit of hindsight, that they don't now think the package has benefited them as much as they initially thought it would – but that doesn't necessarily mean that RBS did something wrong.

I want to reassure Ms L and Mr P that I've looked at all the information I have about their complaint. Having done so I don't think RBS mis-sold the Premier packaged bank account to them. So I don't think it owes them any money.

my final decision

For the reasons set out above, I don't uphold Ms L and Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms L and Mr P to accept or reject my decision before 30 December 2015.

Jennifer Wood
ombudsman