

complaint

Mr P says Bank of Scotland plc mis-sold him a packaged bank account. He complains that the bank led him to believe he had to have a fee-paying account rather than a free one; and that its added benefits weren't of use to him.

background

Our adjudicator rejected this complaint. She felt the bank had given Mr P enough information about the packaged bank account for him fairly to opt for a paid account rather than maintain the free one he'd previously had. The adjudicator also thought the added benefits were likely to have attracted Mr P, as he'd registered a mobile phone for the insurance and was covered by the travel insurance when he went on holiday. Plus, he also used the overdraft facility, which came with preferential rates for holders of the *Ultimate Reward Current Account*.

Mr P disagrees. He says:

- The bank didn't tell him he could stay with a free account but led him to think he had to upgrade to a paid account with benefits;
- Because his overdraft regularly exceeded £300, both before and after the upgrade, he didn't benefit from the free rate – and this didn't attract him to the account;
- He purchased separate travel insurance when he holidayed abroad, as he didn't realise the packaged bank account included this benefit because it wasn't properly discussed during the sales process;
- He can't recall registering a mobile phone—which was covered by his home insurance anyway—and wasn't attracted to this benefit; and
- Nor was he attracted to the other benefits, eg, home emergency cover, car breakdown cover, etc.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

There's no persuasive evidence that the bank misled Mr P into thinking the upgrade was compulsory or failed to explain that he could stick with the free banking he'd previously enjoyed with the bank. On the contrary, the bank's records show that it sent him a welcome pack on 10 February 2010. I've seen a sample of this pack – and it does set out the key features of the packaged bank account. There's nothing to suggest that upgrading is compulsory or the only option. If Mr P was under this impression, there's nothing to indicate that this was due to any wrongful act or omission by the bank.

It's also reasonable to conclude that the bank did in fact highlight the account's added benefits, as these were factors likely to attract certain customers, so there was no reason for the bank to conceal them. The welcome pack also sets them out. And Mr P's conduct suggests he was aware of them. Despite his recollections years later, the documentary evidence from the time shows that, in line with the terms and conditions, he did register a mobile phone on 16 February 2010 for the insurance. He's not produced any evidence to contradict this. The registration implies that he was aware of the added benefits and might have been attracted to the account because of some of them.

It's hard to accept that Mr P wasn't also aware of the travel insurance if he was aware of phone insurance, as this is a key benefit mentioned in the account literature. And because insurance covers risk and provides 'peace of mind', his lack of actual claims doesn't mean it wasn't used or of real value. Ultimately, it's the responsibility of the customer to cancel—or avoid buying—duplicate insurances. So I don't think the bank can be blamed if, as alleged, Mr P bought other travel insurance.

Although Mr P exceeded the £300 free overdraft (and was therefore charged a daily fee), it was his choice how to operate his account and overdraft. He still benefitted from the free overdraft during the times he stayed within the limit; and it would have reduced his overall overdraft charges. I can't reasonably accept that the overdraft rate wasn't attractive to him when in fact he benefitted from it.

A customer doesn't have to be attracted to each and every benefit in order for a sale to be regarded as fair and reasonable. The whole point of a package is that individuals can pick and choose which benefits to use. The fact that certain benefits might be unwanted or unnecessary doesn't mean the overall package was unsuitable or mis-sold.

In all the circumstances, I'm not persuaded that the bank either misled Mr P about the optional nature of this account or failed to highlight its key features. Certain benefits appear to have made the account attractive to him and/or were in fact used by him after the upgrade. Even if the bank had given him better information at the point of sale, I still think he would have decided to upgrade.

my final decision

For the reasons set out above, I'm unable to uphold this complaint against Bank of Scotland plc. I am sorry to have to write in terms that are bound to disappoint Mr P.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 September 2015.

Mark Sceeny
ombudsman