

complaint

Miss H and Mr S have complained that Clydesdale Bank Plc ("Clydesdale") mis-sold a 'Current Account Silver' (later rebranded as a 'Current Account Choice' and finally a 'Signature') packaged bank account to them in 1998. Mr S is no longer named on the account and Miss H has brought the complaint to us (with Mr S' consent). Miss H pays a monthly fee for the account and can use several benefits in return.

background

One of our adjudicators has looked into Miss H's complaint already. The adjudicator didn't think that Clydesdale mis-sold the packaged account to Miss H and Mr S and didn't recommend that Clydesdale should pay them any compensation. Miss H didn't accept this recommendation 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'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 decide what to do about Miss H's complaint.

I agree with our adjudicator that Clydesdale didn't mis-sell the packaged account to Miss H and Mr S and so it doesn't owe them any compensation.

Miss H has told us that she was unaware she and Mr S had agreed to take a packaged account and thought the monthly fee on their account was related to their overdraft. Clydesdale has told us that when Miss H and Mr S opened their account they opened both a packaged account and a standard fee free account with the bank. Miss H has said she doesn't remember opening the second account. As this happened over 17 years ago it's not surprising Miss H doesn't remember all of the details surrounding how the accounts were opened. But given that it appears she and Mr S opened both a packaged account and a fee free current account I think it's likely the bank explained fee free accounts were available. So I think Miss H and Mr S chose to open the Current Account Silver because they were interested in the benefits that came with it.

Both Miss H and Clydesdale have told us no advice was given about the packaged account at the time it was taken out. So Clydesdale didn't have to check if the account was suitable for Miss H and Mr S.

However, Clydesdale still had to give Miss H and Mr S enough clear information about the packaged account for them to decide if they wanted it. At the time the account was opened the Current Account Silver only offered banking benefits; there were no insurance benefits attached to it. Clydesdale has confirmed that the account came with an automatic £1,000 overdraft facility and that this was used by Miss H and Mr S at that time. And having an overdraft facility with the Current Account Silver also appears to have been the cheapest way to have an overdraft with Clydesdale in 1998. So I think this is probably what Miss H and Mr S were interested in at that time.

The packaged account has changed in benefits and price over the years since it was opened and Miss H has told us that she wasn't made aware of these account changes. In 2002 the account was rebranded as a Current Account Choice and travel insurance and car breakdown cover were added as additional benefits. The price of the account also increased at this time.

Miss H has told us that she took out a separate car breakdown policy in 2001 (before the benefit was added to her account) and that if she had been made aware it was included with her packaged account she would have cancelled this. In addition she has said that she had cause to claim against the travel insurance in the past but didn't do this as she didn't know it was available to her.

Clydesdale has told us that all of its Current Account Silver customers were notified in 2002 when the account was rebranded. And it says that further notifications were sent to customers in 2008 when it was later rebranded as a Signature account and mobile phone insurance added to the benefits and the price increased again.

I've looked at all the information provided to me by both parties and I am unable to safely conclude that Clydesdale failed to send these notifications to Miss H. And while I accept Miss H may have ended up with some duplication in cover I don't think this necessarily means the account was of no benefit to her or that the bank did anything wrong.

I understand that with hindsight, Miss H might feel that the packaged account wasn't particularly beneficial to her. But taking the evidence as a whole, I think it's more likely than not that she and Mr S agreed to take the account, knowing they had a choice and that they were taking an account with benefits. And although Miss H hasn't taken advantage of all the benefits, it doesn't mean that the account was mis-sold.

I want to reassure Miss H and Mr S that I've looked at all the information I have about their complaint. And I've thought about everything Miss H has said. But having done so I don't think Clydesdale mis-sold the packaged account to Miss H and Mr S. So I don't think it owes them any money.

my final decision

For the reasons I've explained, I don't uphold Miss H and Mr S' complaint against Clydesdale Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H and Mr S to accept or reject my decision before 11 April 2016.

Karen Hanlon
ombudsman