

complaint

Mr S has complained that TSB Bank plc ("TSB") mis-sold him Silver and Premier packaged bank accounts in 2008 and 2010. He paid a monthly fee for the accounts which included some benefits.

background

One of our adjudicators has looked into Mr S' complaint already and she didn't think that TSB mis-sold the packaged accounts to him. Mr S didn't accept this and asked for an ombudsman to look at his 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. And I've used this approach to help me decide Mr S' complaint.

When Mr S asked for an ombudsman to look into his complaint, he said that he was told he had to have the Premier account to have an overdraft. And the other benefits weren't important to him. I've carefully thought about this and everything else I've seen on this complaint. Having done so, I don't think that Mr S' complaint should be upheld. And I'd like to explain why.

I've started by thinking about whether Mr S was given a choice in taking the packaged accounts. At this point, it may help for me to explain that I have to make my decision based on what I think is most likely to have happened. In working out what I think is most likely to have happened, I have to think about everything I've been told and I've been provided with and see how this fits with what I do know. In other words, what I have to do, in this case, is decide what I think is most likely to have happened having weighed up what both Mr S and TSB have been able to provide me with.

It looks like Mr S upgraded to the Silver account from a fee free one that he'd had for a couple of years. I've been provided with screen shots from TSB's computer records that detail the contact it has had with Mr S over the period he has banked with TSB. These 'contact notes' suggest that Mr S had previously declined the Silver account when it had been offered to him a few months before he took it out. As Mr S was able to refuse the upgrade at this stage, I think he would've known that he could've kept his fee free account if that's what he really wanted.

In terms of the upgrade to the Premier account, it looks like this took place a year or so after he had downgraded back to a fee free account from the Silver account. Mr S has said that he only agreed to the Premier account because he was told he had to have the account in order to increase his overdraft and I've thought about this carefully.

I accept that Mr S did upgrade to the Premier account around the time that he successfully applied for an overdraft increase. But it looks like Mr S initially told our adjudicator that the TSB salesperson highlighted the difference between the overdraft interest rate available on the Premier account and the one available on the fee free account that he already had. So while the Premier account looks to have been discussed at the same time as the overdraft

increase, what Mr S has told us suggests that he was given the option of having the increase on his fee free account – albeit on the basis that he wouldn't receive the preferential rate available to Premier account holders. So taking everything I've seen together, and while I've carefully thought about what Mr S has said, I think it's most likely that Mr S' account was upgraded, on both occasions, because he agreed to it after having been provided with a choice. And I think it's likely that Mr S did so because he was attracted to the benefits included on the account.

TSB has said that its usual sales process means that it wouldn't have recommended the accounts to Mr S. On the other hand Mr S says they were recommended. I've thought about this carefully. In the first instance, I should say that TSB hasn't provided much detail on the sales process it has referred to. So I don't think that TSB telling me its usual process meant it wouldn't have recommended the accounts is, on its own, enough for me to agree with this.

The contact notes suggest that there was a discussion about Mr S' needs, for the Silver upgrade at least, before an account was chosen. And it looks like Mr S was then provided with a Your Personal Summary of Recommendation ('YPSOR') document, which I understand is TSB's equivalent of a statement of demands and needs, which highlighted why the selected account was chosen. So from what I've seen, and what Mr S has told us, I think that TSB did assess Mr S' individual circumstances and did carry out an assessment of his demands and needs. Taking everything I've been provided with together, I think it's most likely that the accounts were recommended to Mr S. So this means that TSB had to make appropriate recommendations to Mr S, by taking adequate steps to ensure that the selected accounts were a good fit for his circumstances.

As previously explained, because I haven't been provided with much detail on TSB's usual sales process, I don't know how far it enquired into Mr S' circumstances before it made its recommendation (although the YPSOR shows there's likely to have been some enquiry). But, having thought about the particular circumstances of this case, I don't think that any shortcoming that may have existed in TSB's assessments of Mr S' demands and needs resulted in inappropriate recommendations being made to him. I say this because I think that Mr S was attracted to some of the benefits and he was able to use them. And it looks to me that the accounts chosen were the best match available when the benefits Mr S wanted are taken into account.

The YPSOR for the first sale suggests that Mr S wanted mobile phone insurance. Mr S' registration of a handset shortly after the sale appears to support this. And, at the time, the Silver account was the cheapest account in TSB's range that included mobile phone insurance. The contact notes don't cover the upgrade to the Premier account. And I haven't seen an YPSOR for this sale – or been told that one was issued – either. But I'm mindful of Mr S' recollections of this sale. He's said that the adviser took him through the overdraft interest savings he'd make by upgrading to the Premier account and recommended it as a result. And the amount of Mr S' overdraft meant he stood to pay less interest if he regularly and substantially went into it – Mr S' recollections from the sale suggest to me that this was his likely intention at the time. It also looks like Mr S registered for the credit report service on the identity protection insurance shortly after he upgraded. Mr S also looks to have had two handsets registered for the mobile phone insurance as well. Given Mr S registered for these insurance benefits shortly after the upgrade, I think it's likely he wanted them. And upgrading to the Premier account was the only way that Mr S was able to have these benefits with TSB.

I accept that both the Silver and Premier accounts had other benefits in addition to the ones Mr S wanted. I know that Mr S has said that he already had some of these and he wasn't able to cancel them. And even if could've cancelled these he wouldn't have done because he was happy with these policies. I don't know if the TSB advisors thought about this when putting together their recommendations, as the documentation I've seen doesn't say much about this. But I don't think that this matters here. I say this as Mr S appears to confirm that he knew he had some of the insurance already, but he didn't want to cancel what he already had as he was happy with it - he wanted the benefits that were recommended to him. So it seems like he was happy to keep any existing cover that he had, even though he knew he now had it through his account, and pay the monthly fee for the benefits that he did want and didn't have already. So having thought about everything as a whole, including Mr S' particular circumstances, I've not seen anything to suggest that the recommendations of the Silver and Premier accounts were inappropriate.

I accept that Mr S may now, with the benefit of hindsight, believe that he hasn't benefitted from the accounts as much he had hoped and expected when he initially upgraded. And I've seen that he's said he hasn't benefitted from the preferential overdraft interest rate on the Premier account. I accept that the value of the overdraft benefits worked out to be less when Mr S reduced his overdraft and TSB introduced an overdraft usage fee when an account holder went over the £500 interest and fee free buffer. But the advisor's recommendation was based on the overdraft limit and the charging structure in place at the time. And I've not seen anything to suggest that they would've been aware that either of these things would change. So they couldn't have taken these things into account when recommending the upgrade. And it was open to Mr S to downgrade his account once these changes started happening over a year later. So while Mr S may now think that the Premier account hasn't proved value for money, because of the later changes to the overdraft structure and his circumstances, this doesn't mean it was mis-sold to him.

I want to reassure Mr S that I've looked at all the information provided about his complaint. And I've thought about everything he's said. Having done so, I don't think that TSB mis-sold the packaged accounts to him. So I don't think it owes him any money.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 9 November 2015.

Jeshen Narayanan
ombudsman