

complaint

Mr S has complained that National Westminster Bank Plc (NatWest) mis-sold an Advantage Gold packaged bank account to him in 2003. He pays a monthly fee for the account, which offers a number of benefits in return.

background

One of our adjudicators has looked into Mr S's complaint already. The adjudicator didn't think that NatWest mis-sold the Advantage Gold account to Mr S and didn't suggest that NatWest should pay him any compensation. Mr S didn't accept this assessment 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 help me decide what to do about Mr S's complaint. I agree with our adjudicator that NatWest didn't mis-sell the packaged account to Mr S. I say this because:

Mr S has told us he took the Advantage Gold account because he was told it would improve his credit rating. I don't know exactly what was discussed when Mr S took the account. But I can see that when Mr S took the Advantage Gold account he already held a fee free account with NatWest for a few years. And that account had an overdraft on it. This suggests to me that Mr S would've known that he didn't need to pay for an account in order to get an overdraft and that his credit rating at that time appears to have been satisfactory – otherwise the overdraft wouldn't have been approved. I accept that Mr S may have been concerned about his credit rating declining in the future – particularly given what he has told us about his financial situation at that time. But I haven't seen any persuasive evidence that would make me think NatWest would've told Mr S that taking the Advantage Gold account specifically would improve his credit rating. I think it's more likely that NatWest told Mr S that maintaining any current account well could have a positive effect on his credit rating. And that if he intended to use his overdraft extensively he could benefit from the preferential terms offered as a benefit with the Advantage Gold account. Taking everything into account, I think it's most likely that NatWest gave Mr S a fair choice to take the Advantage Gold account.

Mr S has said that NatWest advised him to take the Advantage Gold account. I think NatWest probably did tell him about the benefits of the account. But I haven't seen anything to suggest that it asked about his specific circumstances or provided a tailored recommendation. So I don't think that NatWest did advise Mr S to take the account. This means it didn't have to check if the account was suitable for him.

NatWest had to give Mr S enough clear information about the Advantage Gold account for him to decide if he wanted it. I think there was a discussion about the key features of the account because Mr S has told us he was made aware that the Advantage Gold account offered preferential interest rates. But Mr S goes on to say that he didn't get those preferential rates. NatWest has told us that Mr S applied for an increase in his overdraft on the day he upgraded his account. And its records show he went on to successfully apply for a loan shortly afterwards. Mr S also took several other loans over the years. NatWest says Mr S obtained a better rate of interest on the loans and overdraft as a result of holding the

Advantage Gold account than he would've if he kept his fee free account. So I think Mr S took the Advantage Gold account because he was attracted to some of the benefits.

It's possible that NatWest didn't tell Mr S everything it should've about the Advantage Gold account. But I haven't seen anything to make me think that Mr S wouldn't still have taken the account even if NatWest had told him everything. Mr S has said that some of the insurance benefits duplicated cover he already had. But mobile phone insurance and car breakdown cover weren't features of the account in 2003, so these wouldn't have been amongst Mr S's considerations when he took out the account. I note Mr S did go on to register for mobile phone insurance after it was added to the account, which suggests NatWest kept Mr S updated about changes to the account of the years.

I want to reassure Mr S that I have looked at all the information I have about his complaint. Having done so I don't think NatWest mis-sold the packaged account to him.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 2 November 2015.

Sandra Greene
ombudsman