

complaint

Mr and Mrs R have complained that The Royal Bank of Scotland Plc ("RBS") mis-sold them a Royalties packaged bank account in 1998, which later migrated to the Select Silver account in 2012. They pay a monthly fee for the account which offers various benefits in return.

Mr and Mrs R have used a claims management company (CMC) to bring their complaint to us.

background

Mr and Mrs R have raised a number of complaint points about the account. Two of our adjudicators have looked into Mr and Mrs R's complaint already. They didn't think that RBS mis-sold the packaged bank accounts to Mr and Mrs R and didn't recommend that RBS should pay them any compensation. The CMC 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.

This is a difficult matter for me to decide upon as there is no direct evidence from the sale in 1998 to show what was said to Mr and Mrs R. This is perhaps not surprising given that the sale happened some time ago. Where evidence is incomplete and matters are in dispute, as they are here, I make my decision based on what I think is most likely to have happened given the evidence that is available and the wider circumstances at the time.

I know this is going to come as a disappointment to Mr and Mrs R, but after giving their case a lot of thought, I haven't seen enough to conclude that the Royalties or Select Silver account were mis-sold to them. I know this isn't the outcome that Mr and Mrs R are looking for. But I hope that my explanation will help them understand how I have come to this conclusion.

did Mr and Mrs R have a choice in their upgrades?

Free bank accounts were widely available in the United Kingdom at the time Mr and Mrs R took out the Royalties account and I think they probably knew this. I say this because they took the Royalties account, at the same time as holding a fee free account which they had held for several years (it closed the following month). I note that a separate fee free was taken out by Mrs R at a later date as well.

Mr and Mrs R were migrated from the Royalties account to the Select Silver account in 2012 as the Royalties account was being discontinued. The Select Silver account provided more benefits than the Royalties account, but its monthly charge was also higher - £8 rather than £6.95 (the charge of the Royalties at that time). Mr and Mrs R say they were told their account was being changed and this was what they were getting. They added that they weren't offered any alternative accounts. I have seen a copy of the letter RBS has said it sent to customers about the account migration which explains the changes in a relatively clear manner and says that customers could discuss alternative accounts if they didn't want to migrate. I recognise that Mr and Mrs R say they were told that they had to have the

account and it is correct that the account was changing from the Royalties to the Select Silver, but I am persuaded on balance that Mr and Mrs R knew about fee free accounts and could've discussed other options if they didn't wish to hold the Select Silver account.

Altogether, I think that for the above reasons, Mr and Mrs R were aware free accounts were available to them. But I think they chose to upgrade to the Royalties account and migrate to the Select Silver account because they were attracted to some of the benefits they offered.

did RBS provide Mr and Mrs R with clear enough information for them to be able to decide if the account was right for them?

From the evidence I've seen, it doesn't look like RBS had a detailed conversation with Mr and Mrs R about their circumstances or provided a tailored recommendation. So I don't think that RBS did recommend the packaged accounts to Mr and Mrs R. This means it didn't have to check if the accounts were right for them. It was up to Mr and Mrs R to decide if the accounts were right for them, taking into consideration their personal circumstances and any similar benefits they might already have had in place.

RBS had to give Mr and Mrs R enough clear information about the packaged accounts for them to decide if they wanted them. I don't have a lot of information about the Royalties account at the time Mr and Mrs R took it out. But I can see it came with mainly banking benefits. From what I've seen the account came with an automatic £100 free overdraft along with lower interest rates on any usage over this. And RBS has told us that Mr and Mrs R had four loans whilst they held the Royalties account which received preferential rates, with the first one being taking out in 1998. In addition, RBS has said that a savings account also taken out a few years later offered preferential rates due to holding the Royalties account. So these may have been what attracted them to the account. In relation to the Select Silver account, I think that Mr and Mrs R were attracted to some of the benefits of the account and opted to migrate from the Royalties rather than look for another account. In particular, whilst I note the adjudicator mentioned registering for taste cards, I think that Mr and Mrs R may have been attracted to the travel insurance as they have said they travelled and RBS has said they upgraded the cover in 2014.

I can see that Mr and Mrs R have said that they never registered for any of the insurance benefits. I note our adjudicator said that registration wasn't required under the Royalties account. This is correct for the majority of the benefits, with the exception Payment Card Protection as it required card details. As I've outlined above, I think they were interested in other benefits and so this may not have been of interest at the time. But RBS has told us that Mr R did register for it a few years later. Looking at the Select Silver account, mobile phone insurance required the handset to be registered, but in completing our questionnaire Mr and Mrs R have said that they didn't have a smart phone and so they may not have required the mobile phone insurance. I also don't know whether Mr and Mrs R held cover elsewhere as they have not said in their questionnaire, although as I don't think RBS provided advice to them, it was up to Mr and Mrs R to decide whether to cancel any duplicate cover they had.

For the reasons I have said and coupled with Mr and Mrs R upgrading their travel, I think Mr and Mrs R were most likely aware of the benefits the accounts provided. And whilst Mr and Mrs R may not have used all the benefits offered by the packaged accounts, this doesn't mean that RBS mis-sold the accounts.

In addition, Mr and Mrs R have said in the questionnaire that they didn't notice the fees for the accounts. I have thought about this, but from what I know the fees would've appeared on their statements for several years. I accept it could be argued it isn't clear that the charges are for packaged accounts. But Mr and Mrs R haven't provided any other explanation for what they thought these charges were for. In addition, from what I've seen it looks like Mr and Mrs R knew that they were taking accounts with benefits and I think they would have known that a fee would have been payable. So overall, I think it's most likely that they were told about the cost of the packaged accounts and they found them acceptable – although as it happened a long time ago, I can understand why they may not remember this.

It's possible though that RBS didn't tell Mr and Mrs R everything it should have about the accounts' benefits. But I've not seen anything to make me think that Mr and Mrs R would not still have taken the accounts even if RBS has told them everything.

I want to reassure Mr and Mrs R that I've looked at all the information I have about their complaint. And I've thought about everything they have said. But having done so, I don't think RBS mis-sold the packaged accounts to them. So I don't think it owes them any money.

my final decision

For the reasons I've explained, I don't uphold Mr and Mrs R's complaint.

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

Donna Parsons
ombudsman