

complaint

Mr G complains that National Westminster Bank Plc ("NatWest") mis-sold him a packaged bank account. His representatives have raised a number of issues. But it seems that Mr G's main complaint is that he was told he should upgrade his account and that he didn't need and couldn't benefit from some of the insurances that came with the account.

background

NatWest has told us Mr G opened a fee-free account in 1994 and upgraded to an Advantage Gold account in 2008. The packaged account offered a number of insurance and non-insurance benefits for a monthly fee.

The background to this complaint and my initial conclusions are set out in my provisional decision from February 2015. I said I was not intending to uphold Mr G's complaint because:

- Mr G upgraded from a free account to an Advantage Gold account. Based on what I've seen, I think he knew he could have a free account and that he had a choice about the upgrade.
- Mr G's representatives initially told us that NatWest told him he had to upgrade because he had too much money in his account. They've also said Mr G was told his money "*would be better off in the Gold account as it had better interest rates*". I don't know what was said to Mr G at the time. But NatWest has told us Mr G opened an Advantage Reserve savings account at the same time he upgraded his account. This savings account had a preferential rate of interest which was available to Advantage Gold account holders. It seems Mr G paid the minimum deposit required to open his Advantage Reserve savings account. So I think it's likely that he was told about the preferential rate of interest and decided to upgrade to the packaged account because he was attracted to this particular benefit at the time.
- Based on what I've seen, I don't think NatWest gave Mr G personalised advice when it upgraded his account or made a recommendation. So NatWest didn't have to assess whether the packaged account was suitable for him. I think it's more likely that NatWest provided information about the account so that Mr G could decide for himself whether he wanted it.
- NatWest says it would have provided a welcome pack but Mr G says he doesn't remember this. And it seems likely this would have been provided after the sales anyway. So I accept it's possible NatWest might not have given Mr G clear enough information about the packaged account. But I haven't seen any evidence to suggest there was anything he should have been told that would have led him to make a different decision about the upgrade.
- Mr G's representatives say he was told that upgrading his account was the only way he could access a 'linked' benefit on another product. But they didn't confirm what this refers to.
- Mr G's representatives also say he had a pre-existing medical condition. But they haven't explained what this was, or why they think this would have limited his use of the travel insurance. They've also told us Mr G didn't 'use' or need car breakdown cover or mobile phone insurance as these policies duplicated his existing cover. But

packaged accounts are rarely tailored to the individual, so it's unlikely that Mr G would have found every benefit useful and I think he knew enough about the benefits to know where he had duplicate cover. So it was up to him to decide whether to cancel any existing cover. I accept that Mr G didn't make a claim on any of the insurance policies. But he still had the benefit of the cover being provided, even if he didn't need to make a claim. And they haven't explained why Mr G couldn't have benefited from the majority of benefits associated with the packaged account. Mr G appears to have taken out NatWest home insurance in 2011. From what NatWest has told us, it seems likely he benefited from a 10% discount on the cost of the first year of this policy, as a result of his Advantage Gold account.

- Mr G's representatives say he didn't find out about the packaged account fees until they contacted him. But I think he knew he was upgrading to an account with benefits, so it's also likely he would have been aware of the cost. He's also referred to being told he had to upgrade, which suggests to me that Mr G understood there was a cost. These costs seem to have been acceptable to him at the time, so I don't think further information about the account fees would have made a difference to his decision about the upgrade.
- In addition, NatWest's records indicate he was sent refresher packs in 2009, 2010 and 2012. I think this would have reminded him about the benefits of the account and the account fees. And it seems Mr G called the third party benefit provider in 2009 to make enquiries about ID protection cover, travel and mobile phone insurance. I also note that as far as I am aware, Mr G hasn't downgraded his account which suggests to me that he finds the packaged account and its benefits useful.

my findings

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

I asked Mr G and NatWest to send me any further information they would like me to consider before I made my final decision. NatWest had nothing further to add. Mr G's representatives made a number of comments which I summarise below. They say:

- Mr G should have been advised to open a savings account instead of a packaged account;
- NatWest didn't take Mr G's needs and requirements into account and some of the benefits duplicated his existing cover;
- There's no record of what was discussed when Mr G made enquiries in 2009 about various benefits;
- NatWest hasn't provided evidence that it gave Mr G sufficient information when it upgraded his account.

I have taken all of the further comments made by Mr G's representatives into account, but they don't change my view of this case.

Having considered all the evidence and arguments, I think Mr G knew he had a choice when he agreed to upgrade his account. I think he was attracted to the package of benefits, in particular the preferential savings account that was available to Advantage Gold account holders. I think he knew enough about the benefits to know where he had duplicate cover. So it was up to him to decide whether to cancel any existing cover. NatWest might not have

given Mr G enough information about the packaged account at the time. But for the reasons I've explained, I don't think any further information would have made a difference to his decision about the upgrade. With hindsight Mr G might feel he hasn't utilised all the benefits that came with his packaged account. But this doesn't mean that the account was mis-sold to him.

my final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr G to accept or reject my decision before 20 April 2015.

Sharon Parr
ombudsman