

complaint

Mr B and Mrs F have complained that National Westminster Bank Plc (“NatWest”) mis-sold them a packaged bank account.

background

Mr B and Mrs F upgraded their free account to the “Advantage Gold” account in 2006. They paid a monthly fee for the account which provided various benefits in return.

Mr B and Mrs F have raised a number of concerns about the upgrade. Our adjudicator didn’t uphold the complaint. Mr B and Mrs F disagreed with the adjudicator’s opinion so the complaint has come to me for 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. Having done so, I’ve decided to not uphold Mr B and Mrs F’s complaint for the reasons given below.

Mr B and Mrs F say they were told that they had to upgrade to a fee-paying account in order to improve their credit rating and get approval for a loan or overdraft.

This is a difficult matter to decide upon as there is no direct evidence from the sale to show what was said to Mr B and Mrs F. 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. And in this particular case I don’t think it likely that Mr B and Mrs F were misled in the way they suggest.

I say this because I’ve seen no persuasive evidence that NatWest told Mr B and Mrs F that they would have to upgrade in order to be approved for a loan or overdraft, or that doing so would improve their credit rating. I’m also aware that there’s no record of them having applied for a loan or overdraft until much later on – in 2014. So it seems likely to me, based on this, that they didn’t upgrade in order to get credit but upgraded because they were attracted to the account’s benefits.

I recognise that Mr B and Mrs F say they were turned down for credit before going through NatWest’s full application process and that this explains why there’s no evidence of them applying for a loan or overdraft until 2014. But I don’t have any evidence to support this. And Mr B and Mrs F previously had a free account. So it seems to me that they would have returned to their free account if they thought their paid-for account wasn’t giving them what they thought it would. There’s no evidence that they tried to do so. On balance, therefore, I don’t think I can safely say that Mr B and Mrs F were misled into believing that they had to upgrade in order to increase the likelihood of being approved for credit.

So I think Mr B and Mrs F were given a fair choice about upgrading. I think they would have only agreed to upgrade from a free account to an account which was going to cost them a monthly fee if they thought the account provided benefits they were attracted to at a price they were willing to pay. I don’t know what made them think this. But the account included mobile phone insurance, travel insurance, accidental death benefit, identity theft protection and preferential rates on other financial products which Mr B and Mrs F may

have thought they could benefit from at some stage. And I note that Mr B and Mrs F went on to register two phones for the account's mobile phone insurance so it seems reasonable to assume that they had an interest in, and need for, this account benefit at the very least.

I've seen no evidence that NatWest assessed Mr B and Mrs F's circumstances in any detail or gave them a personalised recommendation. So it didn't have to assess whether the features of the account were suitable for them. But it did have to provide clear, fair and not misleading information so that Mr B and Mrs F could make an informed decision about upgrading.

I think NatWest would have highlighted the main benefits of the account because doing so would have made it seem more attractive. For the same reason, I think NatWest would have told them of any benefits which were added to the account after the sale. I can also see that NatWest sent Mr B and Mrs F updates on the account. And Mr B and Mrs F have told us that they were familiar with the account's benefits. So I'm satisfied that NatWest did enough to make Mr B and Mrs F aware of the account's benefits, both at the time of the sale and thereafter.

This doesn't necessarily mean NatWest told Mr B and Mrs F everything it should have done about the account, so there may have been some failings in the way it provided information. But I've not seen any evidence that there was anything about their circumstances or how the account worked that would have prevented Mr B and Mrs F from benefiting from its main features or would have otherwise put them off. So I don't think better information would have changed Mr B and Mrs F's mind about upgrading.

Finally, Mr B and Mrs F say they had no need for many of the account's benefits, and that it duplicated other cover they had. But I don't think a consumer has to be attracted to, or use, every benefit in a packaged account for it to be considered attractive overall. As outlined above, it was for Mr B and Mrs F to decide if the account met their needs – and I've seen no persuasive evidence that they wouldn't have been able to do this. And it is also worth pointing out that breakdown cover wasn't a feature of the account when they upgraded, so there wouldn't have been any duplication of this particular benefit at the time of sale.

It follows that I do not uphold Mr B and Mrs F's complaint.

I acknowledge Mr B and Mrs F's strength of feeling on this matter. And I can understand why they will be disappointed by my decision. But I'd like to reassure them that I've looked at all the information I have about their complaint.

my final decision

For the reasons given above, I've decided not to uphold Mr B and Mrs F's complaint.

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

Christian Wood
ombudsman