

complaint

Mr and Mrs C complain that The Co-operative bank Plc (Co-op) mis-sold them a privilege premier packaged bank account in 2011. Mr C is also unhappy with the way in which Co-op has conducted its dealings with him.

background

Mr and Mrs C's complaint has already been looked at by one of our adjudicators. He recommended that it shouldn't be upheld. Mr C doesn't agree with that assessment and has asked for the case to be considered by an ombudsman. This is the final stage of our process.

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 includes looking at everything Co-op and Mr and Mrs C have sent to us. And I've listened to recordings of the calls Mr C had with our adjudicators. I realise Mr and Mrs C will be disappointed by my decision but I don't uphold their complaint. I will explain my reasons below.

But before I do, I would like to make it clear to Mr and Mrs C that this Service considers every complaint on its individual merits. In situations where the evidence is unclear or there are conflicts between what the parties say happened I make my decision based on the balance of probabilities – in other words I look at what evidence we do have together with the surrounding circumstances to help me decide what is more likely to have happened.

the privilege premier account

Mr C accepts that he and Mrs C chose to take out the privilege premier account because it offered an interest free overdraft of £300 and provided access to a linked savings account. And they were aware that a fee was payable for the account. In his call with one of our adjudicators he mentioned that he couldn't recall the exact fee at the time – which was £13 per month. It increased later to £15.50 per month. Mr C also told us that he couldn't recall exactly what was discussed but he was advised that the privilege premier account would fit his needs.

I don't find it surprising that Mr C may have forgotten some of the details of what was discussed at the time; it was over four years ago and I understand - from what he told our adjudicator - he was suffering with some ill-health at around that time.

Mr C's recollection is that he wasn't told about all the benefits at the time he took the account – rather he told the advisor at his local branch what he wanted – the overdraft and the linked savings account – and they told him that the privilege premier account was the right one for him and Mrs C. He accepts that they may have received documentation afterwards.

Mr C says he didn't want or need any of the insurance benefits. He doesn't accept that they were "benefits" of the account. He says he understood that he was paying for the banking facilities and that the insurances were free. He's very unhappy that the fee for the account was for benefits which he neither wanted nor needed.

As well as the preferential overdraft and the linked savings account, the privilege premier account offered - amongst other things - travel insurance, mobile phone insurance and car breakdown cover for the £13 monthly fee. There was another package available at that time called the privilege account. This cost £9.50. It also offered a preferential overdraft – though for only £200. And it offered a less comprehensive package of insurance benefits.

And Mr C tells us he was aware of the insurance benefits but didn't take much notice of them as he didn't use them. He told our adjudicator that that he received information every year but took no notice of the insurance benefits.

So it's possible that Mr and Mrs C didn't take on board at the time they opened their account that there were insurance benefits with it or the way in which the package worked. But given the options and difference in the benefits between the accounts and their cost, I think it's likely that the benefits would've been discussed with Mr and Mrs C in order to allow them to choose which package suited them better. I don't think it's more likely that Co-op failed to tell them about the benefits or that it suggested that the fee was for the banking benefits alone and that the insurance products were free.

I accept that Mr and Mrs C may not have had use for some of the benefits of the package. But packaged accounts don't tend to be tailored for individual customers who may be attracted to the package without being attracted to every benefit. This is what I think happened here, especially as Mr C told our adjudicator that he took out an account which was what he wanted with the benefits he wanted. He went on to say that he believed the other benefits were simply add-ons. So it seems Mr and Mrs C got what they wanted and found the fee to be acceptable. The fact that they didn't have any interest in any of the insurance benefits doesn't mean that the account was mis-sold.

Mr and Mrs C are also unhappy that the fee was increased. Mr C says that in effect they were paying an increased fee because of the increased cost of the insurance benefits. I don't know why Co-op increased the fee for the account as that was a matter for its commercial judgement. But I see that Mr and Mrs C have previously complained to Co-op about other matters relating to their account. And from one of Co-op's response letters it's clear that part of their dissatisfaction was around the increased fee. In May 2014 Co-op wrote to Mr and Mrs C and in that letter it explained that if they didn't wish to accept the changes to the account they could arrange to downgrade their account and provided a telephone number. They didn't downgrade at that point.

I note Mr C has spent a lot of time away from home convalescing. He says he didn't receive mail sometimes. But if he didn't arrange for re-direction of his post, there was a risk that he wouldn't receive important correspondence. And I'm not persuaded that I can reasonably say that Co-op was responsible for Mr and Mrs C not receiving letters which I'm satisfied were sent to them. And it does seem that Mr and Mrs C received some mailings from their bank because Mr C says he received information about the account every single year and that he took no notice of the benefits and he had no interest in them.

Mr C seems to accept that in some of the mailings he was provided with details of a phone number to call if he wanted to change or discuss his account. He says that they didn't change their account because they weren't aware that they could keep the banking benefits which had initially attracted them, with a different sort of account. He is very unhappy that Co-op didn't tell them that they could have an overdraft with a fee-free account when that became an option.

But it seems Mr and Mrs C didn't review their account or discuss their options with Co-op. Mr C accepts they received annual information about their account. I think some responsibility for keeping their banking needs under review lay with Mr and Mrs C. As they had moved their bank account to Co-op in 2011 it seems that they were aware that they could do so. I also note that they complained to Co-op about other things related to their account in 2013 and 2014. This suggests that they were mindful of their account and what was going on. And in the circumstances of this case I'm not persuaded I can safely conclude that Co-op acted "unethically" towards Mr and Mrs C when it didn't tell them they could have a free account and apply for an overdraft facility on that.

the way in which Co-op investigated Mr and Mrs C's complaint

Mr C is also unhappy about the way in which Co-op investigated and responded to his complaint about the privilege premier account. He told our adjudicator that he wanted to "get back" at the bank for the way it had been with him. And he wants a sincere apology from Co-op

Mr C feels he was lied to and that the investigation was poor – as he has concluded that the case-handler spent only a couple of hours on it. I don't know how Co-op conducted its investigation but I have seen the response letter it sent to Mr and Mrs C which suggest that there was more than a cursory investigation. I accept that the case-handler may not have contacted the branch which had dealt with Mr and Mrs C in 2011 but it isn't for me to direct Co-op on how to manage its investigations into complaints.

Mr C is particularly unhappy that the case-handler has looked at his bank statements and concluded that certain transactions meant that he had a need for the travel insurance and the car breakdown cover.

Having received the complaint about the sale of the privilege premier account Co-op was required to investigate. I agree with Mr C that transactions showing petrol purchase don't necessarily mean that a consumer needed car breakdown cover but I don't think that that is an unreasonable conclusion. Similarly payments to what appears to be a holiday provider may suggest that a consumer needs travel insurance. Mr C tells us that he and his wife needed neither of those benefits as they had a new car and didn't travel abroad. But I don't think that Co-op's suggestion that they may have needed those benefits was so wrong that it should apologise to Mr and Mrs C as Mr C requests. And I note that whilst Co-op didn't uphold Mr and Mrs C's complaint it did say it was sorry that they felt they had cause to complaint.

I mention above that I realise that Mr and Mrs C will be disappointed by my decision and I acknowledge completely that Mr C feels very frustrated and angry both with Co-op and this Service. But I'd like to reassure them that although I don't uphold their complaint I have considered everything that they've told us.

my final decision

For the reasons outlined I don't uphold this complaint and I don't require The Co-operative Bank Plc to pay Mr and Mrs C any compensation or apologise further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 16 November 2015.

EJ Forbes
ombudsman