

complaint

Mrs J has complained that National Westminster Bank Plc ("NatWest") mis-sold an Advantage Gold packaged bank account to her in 2000.

background

Two of our adjudicators have looked into Mrs J's complaint already and they didn't think that NatWest mis-sold the packaged account to her. Mrs J didn't accept this 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. We've explained how we handle complaints about packaged bank accounts on our website. And I've used this approach to decide what to do about Mrs J's complaint.

Having looked at all the information provided, I don't think that NatWest mis-sold the packaged account to Mrs J. And so it doesn't owe her any compensation. I'd like to explain why.

I've started by thinking about whether Mrs J was given a choice in taking the Advantage Gold account. At this point, it may help for me to explain that I have to make my decision based on what I think is most likely to have happened. And in working out what I think is most likely to have happened, I have to think about everything I've been told together with else everything I've been provided with and see how this fits with what I do know. In other words, what I have to do, in this case, is decide what I think is most likely to have happened having weighed up what Mrs J and NatWest have been able to provide me with.

It looks like Mrs J upgraded to the Advantage Gold account from a fee free one that she'd had for a couple of years. So I think that Mrs J would've been aware NatWest did fee free accounts and that she didn't have to have an Advantage Gold one if she didn't want to. Mrs J has said she was told she'd get better interest rates on loans and overdrafts if she had the Advantage Gold account. And she's suggested that she felt pressured.

I don't know what Mrs J was told at the time. But the first thing for me to say is that Advantage Gold customers did receive preferential rates on loans and overdrafts. And it looks to be the case that Mrs J did receive a preferential rate on the overdraft she already had at the time and loans she went on to take out later. So I don't think she was misled into thinking she'd receive benefits that she didn't. I accept that Mrs J only knew about the account because it was suggested to her and that if this hadn't been done she probably wouldn't have taken out. But this doesn't mean that she had to have it. And I'm afraid that there simply isn't enough for me here to be able to safely say that Mrs J was pressured to the extent she was left with no choice other than to take the account.

So overall and taking everything I've seen together, I think it's most likely that NatWest gave Mrs J a clear choice and she chose to upgrade because she, at the time, was interested in the overall package of benefits included on the Advantage Gold account.

From what I've seen, I don't think that NatWest recommended the packaged account to Mrs J. So it didn't have to check if the account was right for her. And it was up to Mrs J to

decide this taking into account what the package included. But NatWest did have to give her clear enough information to do this. I do think that it's likely NatWest's representative did talk about the benefits and at least provided an overview of what the account included. After all they were looking to make the account appear as attractive as possible so Mrs J would agree to pay the monthly fee when she most likely knew she didn't have to. Although given just how long ago the sale took place, I can fully understand why Mrs J may no longer recall this.

At the time Mrs J upgraded, the account included a preferential interest rate on loans and overdrafts. As previously explained, Mrs J already had an overdraft. So she paid less interest when she used it as a result of having the packaged account. Mrs J went on to take out personal loans with NatWest. And she received a preferential rate on those too, which meant that her monthly repayments were lower as a result.

A number of other benefits were added to the package over the years Mrs J had the account – such as travel insurance, breakdown cover and mobile phone insurance. I don't know if Mrs J wanted or needed all of these benefits – although her eventual registration of a handset for the mobile phone insurance suggests she found this cover useful. But I think it's likely that NatWest would've written to Mrs J as and when these benefits were added. And at this point it was up to her to decide whether it was still worth keeping the account even though it now included these additional benefits and the monthly fee for it had increased.

Overall I think that Mrs J was able to use the benefit she most likely agreed to – the preferential interest rates - and that she was eligible for and could've used some of the others too. So while Mrs J may not have been told absolutely everything she needed to know, I think that Mrs J was told enough for her to be able to decide if the account was right for her. And I haven't seen enough to be able to say that NatWest did anything significantly wrong here.

Mrs J may now, with the benefit of hindsight, think that she shouldn't have upgraded or kept the account for as long as she did. And given what she might've read or heard about packaged accounts in general, I can to some extent understand why this might now lead her to believe that her account was mis-sold. But I think it's likely that Mrs J chose to upgrade after having been provided with an explanation on what the account included. So although Mrs J may now question her precise reasons for upgrading, as she may think the account hasn't proved to be value for money (although the use she got out of it does suggest she received some value), this doesn't mean that it was mis-sold to her.

Mrs J's also suggested that NatWest unfairly changed her account to a Select Platinum one. I should start by saying that NatWest didn't sell Mrs J a further packaged account in 2015. What happened was it chose to withdraw the Advantage Gold account at this stage. And it was entitled to do this. So I can't say that NatWest did anything wrong when it withdrew the Advantage Gold account or that it had to continue providing it to Mrs J. When NatWest withdrew the Advantage Gold account it moved all of its customers that had this account on to the Select Platinum one. This was because the benefits on the Select Platinum account most closely matched the ones that were on the Advantage Gold one.

At this point NatWest didn't have to assess Mrs J's suitability for the new account or actively obtain her agreement to the change. All it needed to do was notify her of the change before it happened. I think that it's likely NatWest sent a letter to Mrs J which explained that her account was being changed to a Select Platinum one as the Advantage Gold account was being discontinued. I think that this letter also explained the fee increase and Mrs J appears

to confirm that this is the case. So I don't think NatWest did something wrong here either. I've seen that Mrs J's account is still a Select Platinum account. So she should contact NatWest if she no longer wishes to pay a fee and instead wants a fee free account.

I want to reassure Mrs J that I've looked at all the information I've been provided with. And I've thought about everything she's said. But having done so, I don't think that NatWest mis-sold the packaged account to her. So I don't think it owes Mrs J any money.

my final decision

For the reasons I've explained, I don't uphold Mrs J's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 31 October 2016.

Jeshen Narayanan
ombudsman