

complaint

Mr and Mrs Y have complained that The Royal Bank of Scotland Plc ("RBS") mis-sold two packaged bank accounts to them - a Royalties in 1998 and a Royalties Gold in 2011. They paid a monthly fee for the accounts and were offered several benefits in return.

background

One of our adjudicators has looked into Mr and Mrs Y's complaint already. The adjudicator didn't think that RBS mis-sold the packaged accounts to Mr and Mrs Y and didn't recommend that RBS should pay them any compensation. Mr and Mrs Y 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 is fair and reasonable in the circumstances of this complaint.

We've explained how we handle complaints about packaged bank accounts on our website. I've used this approach to decide what to do about Mr and Mrs Y's complaint. I agree with our adjudicator that RBS didn't mis-sell the packaged accounts to Mr and Mrs Y and so it doesn't owe them any compensation. I will now explain my reasons:

Did Mr and Mrs Y have a choice in their upgrades?

- Free bank accounts were widely available in the United Kingdom at the time Mrs Y took out the Royalties account and I think Mrs Y probably knew this – particularly because she has said that she held a fee free account before.

I note that Mr and Mrs Y have said they think it was tagged on to a mortgage they took out about 14 years ago. Like the adjudicator I cannot see that a mortgage was taken out with RBS at this time, or even that payments were being made to a RBS mortgage.

RBS has said Mr Y was added to the Royalties account Mrs Y held in 2003. They then went on to upgrade from the Royalties to the Royalties Gold account in 2011. The application shows that authorisation was given for the account to be upgraded. And this account activity suggests to me that Mr and Mrs Y were actively managing their account. It also indicates that they were comfortable making changes to their bank account.

Altogether, I think that for the above reasons, Mr and Mrs Y were aware free accounts were available to them. But I think they chose to upgrade to the packaged bank accounts on each occasion because they were attracted to some of the benefits they offered.

Did RBS provide them with clear, fair and not misleading information?

- From the evidence I've seen, it doesn't look like RBS had a detailed conversation with Mr and Mrs Y about their circumstances or provided a tailored recommendation. So I don't think that RBS did recommend the packaged accounts to Mr and Mrs Y.

This means it didn't have to check if the accounts were right for them. It was up to Mr and Mrs Y 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 Y enough clear information about the packaged accounts for them to decide if they wanted them. I do not have a lot of information about the Royalties account at the time Mrs Y took it out. But I can see it came with mainly banking benefits. And RBS has told us that an overdraft has been held since this was taken out which offered £100 free overdraft and preferential rates above this. So this may have been what attracted them to the account. In relation to the Royalties Gold account, like our adjudicator, I think that Mr and Mrs Y were attracted to some of the benefits of the account and chose it because of these benefits. In particular, I think that Mr and Mrs Y were attracted to the banking benefits offered. For example, RBS has told us that Mr and Mrs Y benefited from preferential loan and overdraft rates.

I can see that Mr and Mrs Y have referred to the insurance benefits – for example, they have said that held breakdown cover, mobile phone, accidental death and travel insurance elsewhere. But with the exception of accidental death, these were not benefits under the Royalties account at the time it was taken out. And whilst these were benefits under the Royalties Gold account when it was taken out, I think they would've most likely been told what benefits came with the account. In addition, as I do not think RBS provided advice to them, it was up to Mr and Mrs Y to decide whether to cancel any duplicate cover they had.

In addition, Mr and Mrs Y have said that they did not notice the fees for the account due to the number of transactions coming out. I have thought about this, but the fees would've appear 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 Y 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 Y 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.

I note that Mr and Mrs Y may not have used all the benefits offered by the packaged accounts, but this doesn't mean RBS mis-sold the accounts.

- In summary, it's possible that RBS didn't tell Mr and Mrs Y everything it should have about the packaged accounts. But I haven't seen anything to make me think that Mr and Mrs Y would not still have taken the account even if RBS had told them everything.

I want to reassure Mr and Mrs Y 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 account 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 Y's complaint against The Royal Bank of Scotland Plc.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs Y to accept or reject my decision before 30 December 2015.

Donna Parsons
ombudsman