

complaint

Ms F has complained that National Westminster Bank Plc (“NatWest”) mis-sold an Advantage Gold packaged bank account to her in 2004.

background

One of our adjudicators has looked into Ms F’s complaint already and he didn’t think that NatWest mis-sold the packaged account to her. Ms F 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 Ms F’s complaint.

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

I’ve started by thinking about whether Ms F was given a clear 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 Ms F and NatWest have been able to provide me with.

It looks like Ms F upgraded to the Advantage Gold account from a fee free one that she’d had for a year or so. So I think that Ms F 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. Ms F has said she was told she had to upgrade if she wanted an overdraft limit increase.

I don’t know what Ms F was told at the time. But as our adjudicator has pointed out, Ms F previously had overdraft limit increases while she had her fee free account. Ms F has said that it’s unfair to count these previous increases as they were modest and she was looking to increase her limit to £2000 at the time of the upgrade. But it looks like Ms F only increased her limit by £100 at the time of the upgrade. She did eventually go on to increase her limit to £2000 but she did this incrementally and after she’d already upgraded. So given Ms F’s limit increase, at the time, was also modest, I’m afraid there simply isn’t enough here for me to say that Ms F agreed to the upgrade *solely* because she thought she had to in order to get an overdraft limit upgrade.

Overall and taking everything I’ve seen together, I think it’s most likely that NatWest gave Ms F 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.

As I’ve found that Ms F most likely chose to take the account, the crucial question I now need to think about is whether she could’ve used the benefits – not whether the account proved value for money in the period of time she’s held it.

Ms F has said that the account was recommended to her. But this on the basis that she's said that she was told she had to take it to get the overdraft limit increase. And I've not seen anything to suggest that NatWest carried out a detailed assessment of Ms F's circumstances, which is what would've happened if the account had been recommended. So I don't think that NatWest did recommend the account to Ms F. And it didn't have to check if it was right for her. It was up to Ms F 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 Ms F 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 Ms F may no longer recall this.

At the time Ms F upgraded, the account included a preferential interest rate on loans and overdrafts. As previously explained, Ms F already had an overdraft. And Ms F eventually went on to increase her overdraft limit substantially. So she paid less interest when she used it as a result of having the packaged account. Ms F went on to take out at least one personal loan with NatWest. And she received a preferential rate on it 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 Ms F had the account – such as card protection, breakdown cover and mobile phone insurance. I don't know if Ms F wanted or needed all of these benefits – although her eventual registration of cards for the card protection benefit suggests she found this cover useful. But I think it's likely that NatWest would've written to Ms F 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 Ms F 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 Ms F may not have been told absolutely everything she needed to know, I think that Ms F 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.

Ms F 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 Ms F chose to upgrade after having been provided with an explanation on what the account included. So although Ms F 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.

I want to reassure Ms F 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 Ms F any money.

my final decision

For the reasons I've explained, I don't uphold Ms F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 7 November 2016.

Jeshen Narayanan
ombudsman