

The complaint

Mr F says that Nationwide Building Society (“Nationwide”) told him that his account included Travel Insurance.

Mr F went to claim on the travel insurance on his account, but was told that he didn’t have any travel insurance cover in place.

What happened

Nationwide did not uphold Mr F’s complaint. It said that Mr F changed his FlexPlus account (which did include travel insurance) to a FlexDirect account (which doesn’t include travel insurance) in June 2017.

Mr F referred his complaint to this service. One of our adjudicators assessed the complaint and they didn’t uphold the complaint.

Mr F disagreed with the adjudicator’s assessment, so the matter was referred for an ombudsman’s decision.

What I’ve decided – and why

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 our approach to complaints about packaged accounts on our website and I’ve used that to help me decide this complaint. I should also explain that where matters are in dispute and evidence is incomplete, as is the case here, I need to decide what I think most likely happened based on all the evidence that is available. And having considered everything, I’m unable to uphold this complaint.

Mr F says that he was told that his account included travel insurance. Mr F says he went to claim on that travel insurance and was told that he didn’t have any insurance in place.

I don’t doubt that Mr F was, at some point in the past, told that his current account included travel insurance. I say this because Mr F did previously hold a fee-paying FlexPlus account. And one of the benefits it included was travel insurance.

However, Nationwide has explained that Mr F later changed his account to a fee-free FlexDirect account in June 2017. This account didn’t include any insurance benefits whatsoever. I understand the key feature of this account is it pays interest on credit balances.

Based on the complaint documents Nationwide has provided our service, it appears that Mr F said to Nationwide that he did not change his account. So, I considered the likelihood of whether Nationwide changed the account without his consent or without telling him.

However, I don’t think that was likely to have happened. The reason why I say that is because Mr F was paying a monthly fee to Nationwide for the FlexPlus account, whereas he didn’t pay any fee to Nationwide to have the FlexDirect account. As such, there was no financial incentive for Nationwide to have changed Mr F’s account from one where he paid a monthly fee to one where he didn’t.

Unfortunately, as the account change happened in 2017, there is now limited evidence available from the time. Nationwide has however been able to provide evidence to indicate the request to change the account took place in branch (rather than online). And the branch that the request to change account came from is situated in the same area that Mr F's lives – indeed it would appear it was his local branch.

Furthermore, Nationwide has provided evidence to show that a new debit card was sent to Mr F once the account was changed over. Nationwide says the debit card sent to Mr F was a different colour (to his existing card) and stated 'FlexDirect' on it. Nationwide has also provided evidence to show that the account name on statements and online banking (if Mr F used this) would've changed too.

If it was the case that Mr F didn't ask for his account to be changed, I would've expected him to have questioned why Nationwide had sent him a new debit card with a different product name on it. Or to have questioned why he was no longer being sent any information about the insurance benefits – such as annual reminders – that he thought he still had. I say that bearing in mind that he'd not been paying for or receiving the benefits of the FlexPlus account for around six years when he attempted to claim on it.

Having weighed everything up, I think Mr F in all likelihood did request that his account be changed to a fee-free account in 2017 – perhaps to benefit from the credit interest that it paid (which was the main feature of the FlexDirect account). I've also not seen anything to suggest that Nationwide had said or sent anything to Mr F since 2017, that misled him into thinking that he still had the FlexPlus account, when in fact he didn't.

So in the circumstances, I think it's more likely that Mr F had simply forgotten that he no longer had travel insurance included with his account when he went on his trip. Or perhaps Mr F saw that the word 'Flex' was still in the account name and so incorrectly assumed that he still had travel insurance, forgetting that he'd changed account type and removed travel insurance from his account a number of years ago, back in 2017. And this unfortunately resulted in him inadvertently travelling without having any travel insurance in place.

Either way, whilst I have some sympathy for the situation that Mr F found himself in, I'm unable to say that Nationwide has acted unfairly or unreasonably towards him. And so it follows that I'm unable to say that Nationwide should be held responsible for Mr F's uninsured loss in the circumstances.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 18 October 2023.

Thomas White
Ombudsman